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Skepticism Mounts On Deploying SDI

**Experts Doubt Value of Limited System;
Problems Being Swept Under Rug'**

By David E. Sanger
New York Times Service

NEW YORK — A growing number of experts say they are skeptical that even a rudimentary system to shoot down attacking missiles could be deployed effectively within the next decade, as the Reagan administration is considering.

While the administration has yet to provide details of what that early defensive system would look like, Pentagon officials and other experts say it would initially contain none of the lasers, particle-beam weapons or other futuristic weaponry that gave rise to the "star wars" label the project, officially known as the Strategic Defense Initiative, has acquired.

Instead, the first phase would rely chiefly on small homing rockets launched from the ground and from satellites that would destroy their targets with the force of their impact — officials call them "kinetic energy" devices to distinguish them from beams or explosive weapons — and on a network of yet-to-be-developed sensors, communication software and battle-management systems.

Doubts over the feasibility of quick development of such a system are growing just as the administration is debating the wisdom of early deployment and grappling with how to avoid conflicts with the 1972 Anti-Ballistic Missile Treaty, which limits defenses against nuclear weapons.

In Washington on Tuesday, President Ronald Reagan met with senior officials to discuss the conduct of the SDI program and its relationship to the treaty. Officials said no decisions had been made to schedule tests that would go beyond the long-accepted view of the treaty or to adopt a broader view of the agreement.

In recent weeks, both in public statements and classified briefings, Defense Department officials have insisted that tests show that basic technology for picking out and intercepting nuclear missiles is workable and well understood. Some outside experts agree that the concrete progress has been made. But experts say Pentagon officials have been vague when asked about the

key engineering challenge: making both the weapons and the sensors small, cost-effective and reliable.

Preliminary analysis of the plan that Defense Department officials are circulating in Washington strongly suggests that a system of limited capabilities and modest size, the only kind suitable for deployment in the mid-1990s, would be far more vulnerable to attack and countermeasures.

"I see problems being swept under the rug in the interests of getting consensus on early deployment," said Ashton B. Carter, a Harvard physicist and Defense Department consultant with extensive knowledge of the system. "It may be possible to put a system like this in place, but it is not clear that it would have any military value."

Assessing the defensive potential of key elements of a partially deployed system is difficult. Many elements of the plan currently being discussed are vague, and estimates of its effectiveness appear to be rife with internal contradictions.

Officials of the Strategic Defense Initiative Organization, the government agency coordinating the effort, declined to be interviewed on the technology.

In interviews over the past week with The New York Times, experts inside and outside the program have raised these key concerns about the Pentagon's plan:

• In order to support their arguments for early deployment, SDI officials appear to have lowered the performance requirements of key elements of the system. A key sensor device would be excluded from initial versions of a space-based rocket interceptor system, with the likely result that more enemy warheads could get by it during the "boost phase" as attacking missiles lit out of their silos, according to experts briefed by contractors or the Pentagon.

Similarly, they say the ability of the midcourse defense layer to discriminate between decoys and real warheads would be sharply reduced from the original plan. But a spokesman for the Strategic Defense Initiative said Tuesday that to the best of his knowledge, no

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CONSTITUTION TAKES EFFECT — President Corazon C. Aquino administering the oath of allegiance to the new Philippine constitution to government offi-

cials in Manila on Wednesday. She also told military commanders a commission will be set up to investigate human rights abuses by Communist rebels. Page 3.

Fear Grows Of Change In Fed Policy

By Alan Riding
New York Times Service

NEW YORK — One evening last week, a local businessman who has always preached "faith in Brazil" sat glumly in a restaurant and confessed: "This afternoon, I canceled a major investment."

He explained: "When I did my calculations last year, interest rates were at 70 percent, but I'm conservative, so I allowed for 170 percent. Yet they're over 600 percent. Who can invest when there's no knowing where we're going?"

The abrupt collapse of the government's 11-month-old program to fight inflation has sent interest rates soaring and brought disarray to the Brazilian economy.

Bankers said rates on short-term bank certificates of deposit jumped to 680 percent on Monday from

580 percent, and then rose to 750 percent on Tuesday.

That same day, the president of the central bank, Fernando Bracher, resigned, and although no reason was given, analysts noted that he had taken office in August 1985 pledging to reduce interest rates.

Many financial experts warn that Brazil faces a choice between hyperinflation or deep recession.

Yet, perhaps even more than the return of three-digit inflation — which Brazilians had learned to live with in the early 1980s — the uncertainty is fueled by a growing impression that the government has lost control of the economy.

In recent weeks, sharp policy disagreements among the ministers of finance, planning and labor have been aired in public. The president, José Sarney, has come under criticism from business leaders, who at

one point threatened "civil disobedience" and from labor bosses, who are contemplating a second general strike in two months.

"All we see is confusion, contradictions, hesitation and weakness," one foreign banker said.

Although Brazil will soon begin negotiations with foreign commercial banks to restructure a large part of its \$108 billion foreign debt, the bankers said little progress could be expected until the government prepared a medium-term stabilization program.

During most of 1986, the government happily reaped the political rewards of stable prices and fast growth, and it won a big victory in midterm elections Nov. 3. But officials now concede they failed to gauge the economic strains that a

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In Brazil, Economic Disarray Follows Collapse of Price Curbs

By Alan Riding
New York Times Service

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LATE NEWS

U.S. Tells Allies Not to Meddle

WASHINGTON (Reuters) — Western allies have no business telling Washington how to interpret the 1972 Anti-Ballistic Missile Treaty, which governs the Strategic Defense Initiative, the space-based defense system, can be pursued, a senior U.S. official said Wednesday.

"I really don't think they have any qualifications for telling us what is the right interpretation of the ABM Treaty," Kenneth L. Adelman, head of the U.S. Arms Control and Disarmament Agency, said.

INSIDE TODAY

GENERAL NEWS

■ A U.S. panel concluded that President Ronald Reagan's policy of "constructive engagement" has failed. Page 2.

■ Shah priests ordered the ex-communication of the Punjab chief minister. Page 3.

■ U.S. rejection of a Pacific nonnuclear zone followed debate within the Reagan administration. Page 2.

BUSINESS/FINANCE

■ The EC proposed a crackdown, aimed at Japan, on assembly plants that evade anti-dumping regulations. Page 9.

■ U.S. trade reports will be delayed each month in an effort to improve their accuracy. Page 9.

Food Trucks Barred From Beirut Camp

Reuters

BEIRUT — Shiite Muslim militiamen turned back on Wednesday two truckloads of emergency food for the besieged Burj al-Barajneh refugee camp near Beirut.

Sources within the Shiite Amal militia said the last-minute hitch had been caused by disagreement over details of a plan to end four months of fighting around refugee camps in Lebanon. At least 750 people have died in the fighting.

The sources said the entry of food into the camp had been postponed until Thursday after Amal militiamen failed to move back into positions in a strategic village in southern Lebanon.

"Our militiamen could not deploy in Maghdoush so the operation was postponed until tomorrow," an Amal source at a camp entrance said Wednesday.

Witnesses said the trucks, one supplied by the Iranian Embassy and one by Palestinians, carried three tons of rice and flour for the estimated 20,000 refugees in the camp.

Dr. Pauline Cutting, 35, a British surgeon working at the camp's Hala Hospital, said Tuesday by radio that the refugees had been forced to eat cats, dogs and rats to survive.

"I have eaten dogs myself," she said. "I have seen many, many others eat cats and dogs."

Burj al-Barajneh's Moslem resi-

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In Europe, a Flurry of Protests

Demonstrations by Spanish student protesters turned violent Wednesday in Bilbao, where police charged demonstrators who threw gasoline bombs. Protest continued in Madrid. There were demonstrations in Barcelona by 7,000 workers from the automobile manufacturer, SEAT, above. Thousands of French teachers marched through Paris, right, to oppose government plans to step up staff discipline in schools. In Rome, doctors, below, marched in criticism of the state-run hospitals.



Claudio Luffi/The Associated Press

U.S. Admiral Warns the Fleet of Foot Pacific Commander Scuttles Fitness Test for Older Salts

By George C. Wilson
Washington Post Service

WASHINGTON — The 238,000 navy members of the U.S. Pacific Fleet have been warned not to jog themselves to death, and fitness tests have been scrapped that required fleet members age 45 and older

to run one and a half miles, as part of the fitness test.

Admiral Lyons ordered that those in his command over 45 be examined by an internist and cardiologist before a "strenuous exercise" program such as running.

His directive apparently was prompted in part by the death on Jan. 19 of Rear Admiral Jack N. Darby, 50, the Pacific submarine-force commander, who had a heart attack after his morning run.

review to determine if running tests should be ended throughout the navy.

The requirement scuttled by Admiral Lyons for the Pacific Command still applies to the 345,000 other members of the navy. It states that, in fitness tests conducted every six months, men age 40 to 49 must run one and a half miles in no more than 16 minutes 30 seconds and women in no more than 18 minutes 15 seconds.

Under Admiral Lyons' order, men in the Pacific Command 45 and older now can satisfy the running requirement by walking three miles in 45 minutes 34 seconds. The time for women is 48 minutes 53 seconds.

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A spokesman for the Navy Personnel Command said Tuesday that Admiral Lyons' order was under

Algeria	4,000 lbs. Iron	175 lbs. Copper	... 0,000 lbs.
Austria	275 lbs. Lead	46,200 lbs. Zinc	... 25 lbs.
Bahrain	3,000 lbs. Iron	1,000 lbs. Copper	... 500 lbs.
Belgium	50 lbs. Iron	450 lbs. Zinc	... 50 lbs.
Canada	C. 1,000 kg. Copper	She 20,000 kg. Nickel	... 2,000 kg.
Cyprus	C. 0,000 kg. Copper	500 lbs. Zinc	... 5,000 kg.
Denmark	10,000 lbs. Zinc	8,000 lbs. Copper	... 2,000 lbs.
Egypt	E.C. 2,000 kg. Zinc	1,000 lbs. Copper	... 2,000 lbs.
Finland	8,000 lbs. Zinc	175 lbs. Copper	... 2,000 lbs.
Germany	270,000 lbs. Zinc	100,000 lbs. Copper	... 2,000 lbs.
Great Britain	32,000 lbs. Zinc	110 lbs. Copper	... 2,000 lbs.
Greece	110 lbs. Zinc	8,000 lbs. Copper	... 2,000 lbs.

Algeria

Austria

Bahrain

Belgium

Canada

Cyprus

Denmark

Egypt

Finland

Germany

Great Britain

Greece

Algeria

Austria

U.S. Policy on Pretoria Has Failed, Committee Named by Shultz Finds

By Neil A. Lewis
New York Times Service

WASHINGTON — A panel appointed by the Reagan administration to evaluate American policy toward South Africa has concluded that the administration's policy of "constructive engagement" has failed.

The panel also said in its report Tuesday that it was important to undertake immediately a broad effort aimed at strengthening U.S. ties with South African blacks who eventually will lead the country.

It recommended a "concerted international effort" to impose sanctions and isolate South Africa economically.

The issue of increasing sanctions against South Africa produced a sharp split among the panel's 12 members, who were drawn from business, labor and politics.

The majority said that President Ronald Reagan should make it a high priority to persuade American allies to impose sanctions comparable to those implemented last year by the United States.

The panel, headed by William T. Coleman, transportation secretary under President Gerald R. Ford, and Frank T. Cary, former chairman of IBM, said Mr. Reagan should be prepared to exert "substantial influence."

Three members of the panel disagreed, saying use of sanctions to promote change was "wasteful and counterproductive." They were Roger B. Smith, chairman of General Motors; Lawrence S. Eagleburger, former undersecretary of state, and John R. Dellenback, a former Republican congressman from Oregon.

Two members said that the panel did not go far enough in recommending punitive sanctions.

The majority said that widespread imposition of sanctions would show Pretoria that economic growth would be unlikely until apartheid was ended.

"We recommend that the president begin urgent consultations with our allies, especially Britain, Canada, West Germany, France, Japan and Israel," the report said. "To enlist their support for a multilateral program of sanctions."

The prospects for such coordinated sanctions, however, seemed remote. The administration imposed economic penalties last year only reluctantly after Congress overrode Mr. Reagan's veto.

Members of the European Community balked at imposing all but mild penalties at the time.

A spokesman for the State Department was quick to repeat the administration's opposition to economic measures and contended

that the South African government's response to the last round of sanctions demonstrated that they were ineffective.

The panel was named by Secretary of State George P. Shultz in December 1985, as part of the administration's effort to forestall rising sentiment in Congress for sanctions against Pretoria.

Charles E. Redman, the State Department spokesman, said: "The administration continues to maintain its skepticism about the efficacy of broad punitive sanctions in bringing about peaceful change in South Africa."

Mr. Redman also disputed the significance of the report's characterization of "constructive engagement" as a failure.

Under that policy, officials muted public criticism of the Pretoria government and used quiet diplomacy to encourage measures to dismantle apartheid and to achieve regional settlements in southern Africa.

The report said that on both domestic and regional issues, the policy did not work. "It is clear that constructive engagement has failed to achieve its original objective," the report concluded.

A principal theme of the report was that the United States should strengthen its ties to South African blacks and to help equip them for eventual self-government.

"An urgent task for U.S. policy-makers is to develop a good working relationship with South Africa's black majority," the report said.

"Inevitably, U.S. relations with a government supported by the majority of South Africans will be strongly influenced by the links that are established during the period of struggle."

Mr. Shultz met last month with Oliver Tambo, the head of the African National Congress, the leading exile guerrilla group fighting to overthrow the Pretoria government.

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Children who fled the Burj al-Brajneh camp upon their arrival Wednesday at the Mar Elias camp in West Beirut. (The Associated Press)

CAMPS: Food Shipment Delayed

(Continued from Page 1)
dents have asked religious leaders for permission to eat human flesh to survive, but Dr. Cutting said that they "have not resorted to that yet."

On Saturday, a truck loaded with flour attempted to break the blockade, but it was hit by rockets fired by Amal fighters surrounding the camp. Its four occupants were killed. Amal contended that the truck was carrying ammunition and Palestinian fighters.

In November 1985, Amal lost its positions in Maghdousch to Palestinians, who said they had seized the village to ease Amal pressure on camps in the Beirut area and in southern Lebanon.

The hilltop village, which is near Sidon, is within machine-gun range of Amal's main coastal supply route to the south.

The Palestinians withdrew in August from Maghdousch. Sunni Moslem militiamen replaced the Palestinians, but Amal rejected this move.

The South Pacific pact, known as the Treaty of Rarotonga and signed in August by New Zealand, Australia and 11 smaller island nations composing the South Pacific Forum, bans nuclear testing, stocking

U.S. Rejected Pacific Pact After Months of Debate

French Opposed Nuclear-Free Zone, Recommended by American Admiral

By Joseph Firchner
International Herald Tribune

PARIS — The U.S. rejection of a South Pacific nuclear-free zone followed a debate within the Reagan administration after the U.S. commander in the region initially recommended approval, American and French officials said Wednesday.

France worried that the United States might accept the pact and fearing further diplomatic isolation over its nuclear testing site at Mururoa, still lobbied strongly for months in Washington, the officials said.

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The United States announced last week that it would not sign the accord.

Despite official statements of U.S. opposition, there was wavering within the Reagan administration, the officials said.

Admiral Ronald J. Hays, commander in chief of U.S. forces in the Pacific, at first recommended accepting the proposed treaty because it did not conflict with U.S. military needs in the region. But his views were overridden in Washington after debate among senior officials in the State and Defense departments.

"It took constant work to get the inter-agency process to focus on the dangers" of the nuclear-free zone, said an official involved in the U.S. negotiations. "I was surprised," he added, "at how far along the proposal had moved before opposition coalesced."

The South Pacific pact, known as the Treaty of Rarotonga and signed in August by New Zealand, Australia and 11 smaller island nations composing the South Pacific Forum, bans nuclear testing, stocking

nuclear arms or dumping nuclear waste. But it appeared to allow free passage of nuclear-armed ships.

Invitations to sign three protocols accepting the accord had been extended to France, the United States, the Soviet Union, China and Britain.

The Soviet Union and China

signed the protocols but Soviet acceptance was phrased to exclude port calls by nuclear-armed vessels and China said that its compliance would cease if the pact was violated by any other signatory.

Britain has not announced its decision.

U.S. supporters of the agreement argued that it protected Western military needs in the region because it allowed free passage of nuclear-armed vessels.

The treaty appeared, they said, to permit the longstanding U.S. practice of refusing to identify which vessels or aircraft are armed with nuclear weapons. This policy allows many nations to provide landing rights for U.S. planes and port facilities for U.S. Navy vessels.

At the same time, they said, the agreement would have blunted anti-Americanism in Australian domestic politics.

Bob Hawke, Australia's prime minister, who was instrumental in drafting the pact, hoped it would end U.S. foreign policy. "It doesn't make sense for the United States to be withdrawing from the world just as our ideas are coming to the forefront," Mr. Shultz said. He added that overseas programs dropped from \$22.9 billion in the 1983 fiscal year to \$19.1 billion last year and \$17.3 billion this year.

President Ronald Reagan is asking Congress for \$1.024 trillion for the 1988 fiscal year, which begins Oct. 1. That includes \$312 billion for the military and \$15.2 billion for foreign aid and international programs.

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WORLD BRIEFS

Renault Chief's Killing Acknowledged

PARIS (WP) — A French terrorist group has formally acknowledged responsibility for murdering a prominent industrialist here in November but repudiated two subsequent killings widely attributed to its militants, it was reported on Wednesday.

A statement signed by the underground organization, Direct Action, said the group killed Georges Besse, 58, head of the state-owned Renault automobile company. But it denied the attempted killing of the former justice minister, Alain Peyrefitte, in December and the thwarted bombing of Judge Jean-Louis Bruguiere last month. Both were generally thought to be Direct Action attacks.

China Sets Rules for Correspondents

BEIJING (AFP) — Chinese authorities outlined on Wednesday what they considered to be abnormal activities for foreign journalists here less than two weeks after expelling Lawrence MacDonald, the correspondent of Agence France-Presse.

In response to questions at a weekly press briefing, Ma Yurben, the spokesman for the Foreign Ministry, indicated that journalists in China could be considered to be engaged in abnormal activities if they entered an area not yet opened to foreigners or entered closed military zones to take photographs.

Mr. Ma also said that it could be considered abnormal if a journalist collected confidential state information through payments of money or other "improper means."

Shultz Backs Foreign Aid Package

WASHINGTON (AP) — The secretary of state, George P. Shultz, declaring that the United States now has "the winning hand" in competing with communism around the world, urged Congress on Wednesday to approve \$15.2 billion in overseas spending.

Mr. Shultz said that sharp cuts in appropriations over the past few years have forced the State Department to close posts abroad and have weakened U.S. foreign policy. "It doesn't make sense for the United States to be withdrawing from the world just as our ideas are coming to the forefront," Mr. Shultz said. He added that overseas programs dropped from \$22.9 billion in the 1983 fiscal year to \$19.1 billion last year and \$17.3 billion this year.

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South African Detainees Teargassed

JOHANNESBURG (AP) — People detained under South Africa's state of emergency have staged hundreds of hunger strikes and 20 disturbances that prompted authorities to use tear gas, the minister of justice said.

H. J. Coetzee said 1,456 emergency detainees have participated in hunger strikes between June 12 last year and Jan. 31. Mr. Coetzee said the actions were "mostly undertaken by large groups of detainees on an obviously orchestrated basis." He said authorities have used tear gas against detainees during 20 disturbances since the first state of emergency was imposed in 1985. They ranged from assaults on prison staff to refusal to return to cells after a break, he said.

The government has not said how many people it has detained. It told Parliament late last year that 9,667 had been detained for more than 30 days since June 12, but gave no further details.

Iran Marks Anniversary of Gulf War

TEHRAN (Reuters) — Mass demonstrations were held across Iran on Wednesday to mark the eighth anniversary of the Islamic revolution as Iraqi jets attacked several Iranian cities.

Iran's War Information Headquarters warned Baghdad residents to evacuate the Iraqi capital because Iran would attack the city in the "coming hours" in retaliation.

In Tehran, many of the people filling the capital's biggest square raised their fists and shouted, "Air raids are not effective any more," when a warplane traced a line of white smoke across the sky and anti-aircraft guns opened fire. The national news agency, IRNA, said no attack was carried out on Tehran, but civilians were killed or wounded when residential areas in six other cities — Boroujen, Kuhdasht, Nahavand, Qom, Tabriz and Urmia — were bombed.

For the Record

The major opposition alliance in Bangladesh have called a nationwide half-day general strike for Monday to press demands that President Hussain Mohammad Ershad's government resign and call new national elections.

The Arctic Tern, a Piper six-seater aircraft, left Fairbanks on Wednesday for the North Pole headed for Paris in its quest to become the first single-engine propeller-driven plane to circle the globe pole to pole. Richard Norton, the pilot, and Celia Rosetti, the copilot, began their voyage Jan. 21 in Paris.

MONEY: \$10.5 Million Was Skinned in Iran Deal

(Continued from Page 1)
purchased from the United States but which were never shipped from the United States after the U.S. Embassy in Tehran was seized in November 1979. Military supplies have been the subject of legal dickering for years between Washington and Tehran.

In May 1986, however, U.S. officials initially agreed to include the radars in an arms package that was intended to release the remaining American hostages held in Lebanon by pro-Iranian extremists.

Before the radars could be sent, however, "the legal people" blocked the shipment, a congressional source said in an apparent reference to government lawyers who were concerned about dipping into what was supposed to be a legally frozen Iranian arms cache.

After removing the radars from the arms package in May, the shipment's value totaled \$6.5 million, including the Hawk missile spare parts, costing \$4.4 million, and TOW missiles, valued at \$2.1 million.

Until that final sale of weapons in October 1986, when Mr. Khashoggi was cut out of the action, he typically would put up the money for a deal in a Swiss bank account. A portion, covering the cost of the weapons, would be transferred to the CIA, which would tell the U.S. Army it had received the funds. The Army would transfer the arms to the CIA, which then shipped them to Tehran. Iran would pay its middlemen, who would reimburse Mr. Khashoggi.

The first 1986 Iranian purchase of 1,000 U.S. TOWs in February was made virtually "at cost," a congressional source said. The Iranians paid \$3.5 million for the TOWs, which was the same amount the Pentagon charged for them, and another \$2 million for shipping costs and middleman profits, sources said.

The next sale, in May, was again financed by Mr. Khashoggi. On May 15 he put \$1.5 million into the Swiss account to finance a package that was to include Hawk missile spare parts, two Hawk radars and 508 TOW missiles, sources said.

The radars, used to guide Hawk anti-aircraft batteries, were among the military supplies that Shah Mohammed Reza Pahlavi of Iran had

purchased from the United States but which were never shipped from the United States after the U.S. Embassy in Tehran was seized in November 1979. Military supplies have been the subject of legal dickering for years between Washington and Tehran.

The Central Statistical Administration, opening up a once-taboo subject, reported that mortalities among the working population had dropped 15 percent since 1984: from 510 to 432 per 100,000 population.

The official news agency Tass said the drop could be traced to the decline in alcohol consumption. Tass also noted that job-related injuries had declined 33 percent in the last two years, and that deaths from cardiovascular diseases had fallen since 1984.

Since the late 1970s, the Soviet Union had kept certain statistics on the population secret, apparently because they would reveal a picture of society in poor, and worsening, health. Under the campaign for openness begun Mikhail S. Gorbachev, such statistics again are being published. Figures on infant mortality released in November showed the Soviet Union lagging behind the West and Eastern Europe, except

Russia, which had the highest rate of 20.8 deaths per 1,000 live births.

Health Rate Found Vietnam Veterans

Forget them not.

<img alt="A large, stylized, hand-drawn graphic of a face with a sad expression, composed of various letters and symbols like 'M', 'E', 'S', 'C', 'U', 'L', 'P', 'R', 'O', 'T', 'E', 'N', 'T', 'A', 'G', 'E', 'R', 'Y', 'O', 'U', 'N', 'I', 'C', 'E', 'R', 'Y', 'O', 'U', 'N', 'I', 'C', 'E', 'R', 'Y', 'O', 'U', 'N', 'I',

Inquiry in Iran Affair Is Said to Widen to Include Possible Cover-up

By Jack Nelson
and Michael Wines
New York Times Service

WASHINGTON — The federal criminal investigation of the Iran-contra affair has widened to include recently discovered indications that key figures in the operation tried to cover up the affair as it began to unravel last fall, according to a government source.

The reported expansion of the investigation by the independent counsel, Lawrence E. Walsh, came Tuesday as FBI agents reviewed computer records of the National Security Council that sources said may shed new light on the affair.

It was not immediately clear whether information in those records was related to the broadened investigation.

The records, part of an electronic filing system disclosed to investigators by the White House this winter, contain copies of private messages sent between the council's offices to the White House internal computer network, called PROFS.

The suggestion that officials tried to conceal

parts of the Iran operation appears to focus on individuals who took part in the 18-month operation, in which proceeds from arms dealings with Iran were diverted to benefit the Nicaraguan rebels, who are known as contras.

There is no indication that the allegations involve President Ronald Reagan or other senior White House officials, said the source, who asked not to be identified.

But, while refusing to describe the nature of the apparent effort at concealment, the source said flatly Tuesday that "the scandal aspect" of the Iran-contra affair "has been heightened to include a cover-up."

The computer messages under scrutiny by the Federal Bureau of Investigation, which range from routine memos and obscure jokes to eyes-only accounts of intelligence operations, were composed and sent by most security council employees in the belief that they were not being recorded elsewhere.

In fact, however, their contents were stored on computer discs and retained for at least one to two months before being erased, a White House spokesman, Dan Howard, said Tuesday.

One useful administration official said: "We

were living under a delusion. We thought when we deleted them from our own files, that they disappeared. In fact, they were just going into storage."

NSC employees and even one former worker used the computer system regularly to send informal, confidential messages to one another, administration sources say. Since the messages often were not written for the formal files that make up the National Security Council's official document record, they may be especially revealing.

It was not known how many months' worth of messages were contained on the discs given to Mr. Walsh. However, on Nov. 28, Attorney General Edwin Meese 3d ordered the preservation of all written, electronic and tape recorded data relevant to the Iran-contra inquiry. That would indicate that messages dating to at least the end of October were available.

The message records were said Tuesday to have led the Central Intelligence Agency to reopen its own investigation of its role in aiding a private supply pipeline to the Nicaraguan rebels that was directed by a former National

Security Council aide, Lieutenant Colonel Oliver L. North.

The agency's Costa Rica station chief, who goes by the pseudonym of Tomas Castillo, reportedly had told CIA officials that he played no significant role in aiding Colonel North's management of the supply pipeline, an act that probably was not illegal but was against the agency's stated policy.

One government source said Monday, however, that an electronic message sent by Colonel North and preserved in the security council's computer discs describes Mr. Castillo's involvement in the board's supply routes in detail.

Mr. Reagan personally reviewed his notes and determined what was relevant to the panel's inquiry before sending them to the commission, Mr. Fitzwater said.

Contrary to a statement he made earlier in the day, Mr. Fitzwater said the agreement stipulated that the notes would not be published in the board's report, expected next week, although he said they will "undoubtedly be discussed."

The White House also announced Tuesday night that Mr. Reagan had refused a request by the Tower panel to order his former national security adviser, Vice Admiral John M. Poindexter, and Colonel North, who was an aide to Admiral Poindexter, to testify.

Mr. Fitzwater said that the White House counsel, Peter J. Wallison, had determined that

such an order from Mr. Reagan would be "unlawful" because it would require Admiral Poindexter and Colonel North to "testify against themselves."

Mr. Fitzwater disclosed that the board had asked Mr. Reagan on Feb. 4 to act as commander in chief and order both men to appear before the board for questioning.

According to Mr. Fitzwater, Mr. Wallison responded two days later that Colonel North and Admiral Poindexter had a "constitutional protection against self-incrimination" and had a similar protection under Article 31 of the Uniform Code of Military Justice.

Admiral Poindexter resigned and Colonel North was dismissed Nov. 25 after the disclosure that money from the sale of arms to Iran was diverted, possibly illegally, to the Nicaraguan rebels. Both men have returned to active duty in the military.

In December, Mr. Reagan urged Congress to grant limited immunity to Colonel North and Admiral Poindexter to compel their testimony before investigative panels.

Members of the Senate intelligence committee rejected Mr. Reagan's appeal.

Reagan Said To Choose Friend as Senior Aide

By Steven V. Roberts
New York Times Service

WASHINGTON — President Ronald Reagan, facing the most serious crisis of his presidency, is bringing Stuart K. Spencer, one of his oldest political confidants, into the White House to serve as a senior staff member, a source close to the president said.

Mr. Spencer, who helped run Mr. Reagan's first campaign for governor of California in 1966, is considered a master political operator.

The decision to draft him for the final two years of the Reagan presidency, and his willingness to accept after previously wanting only informal roles reflect a deepening concern among White House officials over the direction of the administration and its lack of control over events.

The crisis stems in part from the secret arms sales to Iran and the apparent diversion of profits from such sales to the Nicaraguan rebels, known as contras. In addition, elections in November returned the Senate to Democratic control, and Mr. Reagan's health following prostate surgery has prevented him from playing a visible public role in recent weeks.

The source did not specify Tuesday which post Mr. Spencer would occupy, but it could be director of communications, a job recently vacated by Patrick J. Buchanan. Another possibility is assistant for political affairs. The current occupant of that post, Mitchell E. Daniels Jr., is also leaving the White House.

Mr. Spencer could not be reached for comment.

Mr. Spencer is one of several longtime friends of the president who have been pressing for the removal of Donald T. Regan as White House chief of staff. These friends maintain that Mr. Regan has acquired too much influence and has blocked other voices from reaching the president.

Mr. Regan, a former Wall Street executive and secretary of the Treasury, has openly conceded his lack of political experience and is said to welcome the arrival of Mr. Spencer. But, given Mr. Spencer's long and close ties to the president, he could come to rival the chief of staff in terms of influence in the White House.

Some sources close to the president have suggested that Mr. Reagan is reluctant to leave the White House because the Iran-Nicaragua affair would make it appear that he was "going out under some form of cloud," as one source said. If the Iran affair can be dissipated, the source added, Mr. Regan might be induced to leave sometime in the next few months.

Mr. Spencer and his partner, Bill Roberts, are regarded as pioneers in the business of political consulting. In 1964, a group of wealthy businessmen approached the two strategists and asked them to help run the campaign of Mr. Reagan, then an actor, for governor of California.

The Spencer-Roberts team did not share the rightist ideology of the Reagan supporters, but they took on the job and helped label Mr. Reagan with the winning sobriquet, "citizen politician." They had run Nelson A. Rockefeller's campaign for the Republican presidential nomination in 1964.

High Death Rate Found For Vietnam Veterans

New York Times Service

WASHINGTON — Within five years of returning to civilian life, U.S. Army combat veterans who served in Vietnam had an overall death rate 45 percent higher than a comparison group of veterans who served elsewhere in the same period, according to a government study about to be published.

In the first five years of individual discharges, there were 110 deaths among 9,324 Vietnam veterans and 73 deaths among 8,893 veterans who served elsewhere, a 45 percent difference in death rates. The report said violent deaths, including motor vehicle accidents, suicides, homicides and accidental poisonings, mainly drug overdoses, accounted for much of the difference.



In a campaign against AIDS, the British Post Office will use this slogan as it cancels stamps on millions of letters.

Anti-AIDS Condom Ads Urged for TV

But U.S. Networks Oppose Surgeon General's Proposal

By Leslie Maitland Werner
New York Times Service

WASHINGTON — The U.S. surgeon general, saying that condoms offered the best protection from the deadly AIDS virus for those who "will not practice abstinence or monogamy," has called for condoms to be widely advertised on television.

Under questioning by members of a House of Representatives subcommittee, Dr. C. Everett Koop said Tuesday that the growing threat posed by acquired immune deficiency syndrome made such advertisements necessary.

He said that the ads "would have a positive public health benefit."

A small number of local television stations in the United States now accept advertisements for condoms. The three major networks do not.

Dr. Koop said that the advertisements should carry messages about the "proper use of condoms from start to finish" to assure their effectiveness.

The views presented by Dr. Koop to the Subcommittee on Health and the Environment of the House Committee on Energy and Commerce were countered by opinions expressed by a number of Republican members and by representatives of the three television networks.

The network representatives said that such advertisements might prove offensive to viewers. However, they said that they would continue to review their policies on accepting the advertisements.

William E. Dannemeyer, Republican of California, said that it was a "delusion" to present condoms as a means of protection from AIDS, given their potential for failure.

"Encouraging frightened citizens

to buy condoms and 'be safe' can only result in devastating consequences," he said.

Mr. Dannemeyer also said that advocating the use of condoms would undermine efforts to promote abstinence, heterosexuality and faithfulness to one sexual partner.

He recommended the enactment of other measures, including mandatory reporting to public health authorities of anyone whose blood tested positive for exposure to AIDS.

Mr. Dannemeyer also urged enactment of a requirement for pre-marital blood tests for the disease, and proposed making it a crime for anyone who knows he has been infected to "transmit bodily fluids" to other people.

Ralph Daniels, the vice president for broadcast standards at the NBC television network, said that advertisements for condoms "are unacceptable to a significant portion of our audience."

Some viewers, he said, regard such advertisements as offensive "on moral or religious grounds" because condoms are a method of birth control.

■ AIDS in East Germany

Niels Soenichen, the head of an advisory group on AIDS at the East German Health Ministry, gave Wednesday the first official report of a death from the disease in the nation. Reuters reported from Berlin. Mr. Soenichen said 14 other East Germans had been found to be infected with the AIDS virus.



Foreign Minister Leo Tindemans of Belgium, left, listening as Foreign Minister Mario Rafael Quinones Amezcua of Guatemala read the final communiqué of the conference.

EC-Central America Meeting Closes With Hopes for Peace Even Dimmer

By James LeMoine
New York Times Service

GUATEMALA CITY — Differences between Nicaragua and its neighbors are sharpening, making a negotiated settlement of regional disputes more unlikely than ever, according to delegates at a meeting here called to discuss Central American issues.

The delegates — from the European Community, the Contadora negotiating group of Latin American countries and five Central American nations — issued a declaration backing the four-year Contadora effort to negotiate an end to tensions in the region.

But the three-day meeting was an exhausting exercise in which the gap between Nicaragua and its neighbors, particularly Honduras, El Salvador and Costa Rica, was wider than ever, according to several participants.

"There is no willingness to settle their differences," a European diplomat said Wednesday. "The chances of a negotiated settlement are about nil."

It was the third meeting in as many years between EC officials, their Central American counterparts, and Contadora representatives.

This weekend, the presidents of El Salvador, Costa Rica, Honduras and Guatemala are to meet in Costa Rica. They are expected to initiate what amounts to a new Central

American initiative that sidesteps the Contadora process, apparently in an effort to isolate Nicaragua diplomatically.

"Here there are four countries who have democratic principles and institutions and one country, Nicaragua, which does not have democratic institutions," said the Costa Rican foreign minister, Rodrigo Madrid Nieto.

However, despite such criticism of Nicaragua, European delegates at the meeting said they remained opposed to the U.S. policy of using military force to put pressure on the Sandinistas.

The Europeans appear to agree that the Contadora effort, led by Mexico and seven other Latin American nations, remains the best way of averting a U.S.-led invasion of Nicaragua, which they say their governments continue to support.

"We don't believe the problems of the area can be resolved by armed force," said the British representative, Lady Young. She repeatedly stressed British support for the Contadora process.

Three European representatives said their governments were concerned by remarks made by a special U.S. envoy, Philip C. Habib, during a recent visit to Europe. They said that Mr. Habib had strongly suggested the possibility of a U.S. attack on Nicaragua and had asked for reduced European support for Managua.

Sikhs Excommunicate Punjab Leader

By Steven R. Weisman
New York Times Service

NEW DELHI — A serious schism between secular and religious Sikhs leaders in India opened Wednesday when the religion's five head priests ordered the excommunication of the moderate Sikh leader of Punjab state for defying their political orders.

The action marked the first time that Mr. Barnala and other moderate Sikhs elected officials in Punjab have been in an open confrontation with the top Sikh clergymen over who runs the state.

This was considered significant because in recent months a major portion of the clergy has allied itself with Sikh militants carrying out violence in the name of preserving their religion. For example, the clergy oppose allowing the police to enter Sikh temples to arrest militants.

The action by the head priests created confusion as many other clergy leaders and experts denounced them as having no right to excommunicate anyone on any-

thing less than serious religious issues.

"There is no reason or logic behind what the high priests are doing," said Gopal Singh, a Sikh scholar, historian and English translator of the Sikh scriptures.

Mr. Barnala, 63, was elected as chief minister of the Punjab in 1985 and has enjoyed the support of Prime Minister Rajiv Gandhi.

Under Mr. Barnala, the Punjab police has aggressively pursued Sikh radicals, arresting or shooting dozens of people each week, and also on occasion pursuing them into the compounds of Sikh temples.

But after the police tactics upset many Sikhs, members of various temple congregations voted into power in November a set of leaders

operating negotiations with the insurgents on a regional and provincial level.

One officer said afterward that he interpreted Mrs. Aquino's comments as "a limited 'go' signal" for government forces to take action against insurgents.

Defense Minister Rafael M. Ileto said the cease-fire had given soldiers time to train and improve their combat skills. He said commanders had orders to send out patrols, strike back if attacked and take pre-emptive action to prevent guerrillas from massing for assault against population centers.

The president said the proposal for a commission "to investigate human rights violations on the part of non-militant people" had been initiated by Mr. Ileto and the armed forces chief of staff, General Fidel V. Ramos.

Officials said the commission would investigate reported abuses by communist and Moslem insurgents fighting government troops. The military says such abuses have been largely ignored in the past.

Mrs. Aquino, the officials said, wanted to demonstrate to the armed forces that her administration was even-handed in its pursuit of human rights violators.

Shortly after she took office almost a year ago, Mrs. Aquino set up a seven-member presidential commission on human rights. But this body dealt only with alleged abuses by the military against suspected rebels and refused to look into insurgent violations.

Analysts said this was one of the issues which fueled a widespread feeling in the armed forces that the Aquino government was making concessions to the communists at the expense of the military and national security.

Many analysts say that while there has been considerable re-training, reorganization and improvement in the military leadership, the reform process is far from complete.

Theodoro Locsin Jr., a presidential adviser, said the new rights

commission would have equal powers, status and funding to the existing panel.

Mr. Aquino emphasized Wednesday that in combating insurgency, government soldiers were "expected to conduct themselves with honor and humanity against the enemy and show the utmost solicitude for the safety of the people."

Some members of the armed forces under former President Ferdinand E. Marcos earned a reputation for ill-discipline and excessive force against suspected communists and their supporters.

Many analysts say that while there has been considerable re-training, reorganization and improvement in the military leadership, the reform process is far from complete.

But they said she had not lost hope in a peaceful solution to insurgency and the government would explore the possibility of

negotiations bringing the constitution into force.

Mrs. Aquino, who is commander in chief of the armed forces, said that the Philippines was on "the brink of war" because communist negotiators had ended a 60-day cease-fire and peace talks with the government on Sunday.

OPINION

INTERNATIONAL Herald Tribune

Cross-Channel Cousins

Not yet linked by tunnel, Britain and France continue to parade their differences rather than what they have in common. But the similarities are striking: their economic problems, and the risk that the elections that both must hold by mid-1987 will complicate them.

Both countries approach the elections in unusual political circumstances. In France the emergence of the far right, the waning of the Communists, divisions within the conservative coalition and the possibility of an alliance between Socialists and centrists could mean a return to the splintered politics of the Fourth Republic. In Britain the arrival of the Liberal-Social Democrat Alliance as an accepted, if weak, third force in Parliament could mean that the next government is a coalition, something rare in peacetime.

The temptation to court voters with unwise economic action may be strong for both prime ministers. With unemployment on both sides of the Channel at 11 percent, boosting the economy by relaxing budget restraint is an obvious way to attract support. The French government rejects this option, relying on deregulation to do the trick; but this resolve could erode in the coming months, when the final budget before the presidential election is prepared. Margaret Thatcher is known to want a significant tax cut, and budget day comes next month.

The scope for relaxation is small in either country. British inflation is already pushing back up toward 5 percent, and surging imports and low competitiveness are widening the foreign deficit. French prices, no longer restrained by cheaper oil, are coming under pressure as the last meaningful controls disappear and work-

ers in the large public sector show more militancy. Last year's small foreign surplus is shrinking with the bill for oil and other imports growing and French exports losing ground abroad.

Both countries need to reshape and invigorate their industries. Rising oil earnings no longer disguise the fact that Britain, as much as France, requires a major investment effort to bring its pattern of output into line with international reality, developing the advanced manufacturing and service industries in which the best hopes of exports now lie. The effort will suffer if political clumsiness at home increases social confrontation and labor market tensions. But it will crumble if untimely relaxations of economic policy revive inflation and further weaken the pound and the franc.

When rich countries have huge unemployment and poor countries have huge debts, there must be scope for expansionary action somewhere. But it cannot be started by former front-runners who are struggling to get back into the race. France and Britain could expand somewhat faster in the wake of recovery in West Germany and Japan, whose potential export markets would strengthen and encourage the private capital spending needed if they are to pull themselves up. Sadly, neither Bonn nor Tokyo seems ready to give economic leadership.

Had France and Britain not fallen so far behind, they could take up the baton that West Germany and Japan fear to seize. But today they can only wait for their stronger partners to gain a greater sense of responsibility. An Anglo-French breakthrough would be imprudent.

INTERNATIONAL HERALD TRIBUNE

Needed in Sri Lanka

Sri Lanka used to be called pear-shaped. Tear-shaped would be more appropriate now. A democratic government with an army not fully under control is beset by a separatist movement relying on terrorism. Thousands have died. The other night, for instance, terrorists killed 38 villagers, including 16 women and children, with axes and other silent weapons so as not to alert guards with gunshots. No end is in sight to a conflict whose principals acknowledge the resemblance to Northern Ireland.

The trouble arises from a deep sense of grievance that minority Tamils (18 percent) hold against majority Sinhalese. Official hesitation and ineptness contributed to the Tamil movement's shift in the 1980s from a political to a guerrilla phase, although so common is ethnic group's use of terrorism on the international scene, the shift might have come anyway. As the struggle sharpened, the political demands of the terrorists grew. They now ask for a "homeland," virtually a separate state, to include not only the Northern Province, in which they have a large majority, but also the Eastern Province, in which they are a minority. A government that yielded would be defaulting on the first requirement of sovereignty: to maintain the integrity of the nation.

Negotiations remain the best hope. Here

— THE WASHINGTON POST.

Four Fig Leaves Gone

When President Reagan held his last news conference, on Nov. 19, he was asked about the Iran arms deal and he gave a four-part defense: The United States had shipped only a token number of "defensive" anti-tank missiles to Iran; the U.S. government had not condoned arms shipments by third countries like Israel; the weapons were not traded for hostages; they were used, rather, to promote a dialogue with Iranian "moderates."

Those explanations began to unravel minutes after the television lights went out. To clear up any "misunderstanding," the White House issued a statement admitting that "there was a third country involved in our secret project with Iran."

Then came more on the "token amounts of defensive arms and parts" that President Reagan said had occupied only part of one plane load. In fact the shipment contained 1,500 TOW anti-tank missiles.

Next the Senate intelligence committee, in a bipartisan report, stripped away the administration's denials that it had been trading for hostages, contrary to its own anti-terror policy, by citing the administration's own documents and testimony.

— THE NEW YORK TIMES.

Other Comment

Good News From Moscow

Good news from Moscow: With the release of a fairly large number of dissidents, Mikhail Gorbachev is paying off a mortgage of the recent past. After the 20th party congress in 1956, Khrushchev had opened the doors of the camps for hundreds of thousands of political prisoners. The release of 140 dissidents is quite different.

Then, the people freed were survivors from among millions of victims of mass terror. This time they are a sizable part of a group of several hundred individually

known and selectively persecuted people. The treatment of Andrei Sakharov — first Mr. Gorbachev's telephone call, then the invitation to participate in an international forum — amounts to de facto rehabilitation. Mr. Gorbachev's new "openness" reduces motives for dissent. And new ideological nuances should not be overlooked. Unlike Khrushchev, Mr. Gorbachev has explicitly abandoned the claim to the party's infallibility. That does not turn a one-party state into a constitutional state, but it opens the door a crack.

— Süddeutsche Zeitung (Munich).

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Austerity in Europe: Joblessness Won't Solve Itself

By Olivier J. Blanchard and Lawrence H. Summers

CAMBRIDGE, Massachusetts — In recent weeks, we have seen the West German Bundesbank reduce interest rates by half a percentage point, but only with the gun of a strongly depreciating dollar held to its head. Even now, after five years of disinflation, the Federal Reserve and other West European countries stubbornly refuse to adopt an obvious and seemingly attractive course: monetary and fiscal stimulus.

They defend their action, or lack of it, by invoking the "Eurosclerosis" diagnosis that high unemployment stems from "structural" problems, such as uncompromising industrial reality, developing the advanced manufacturing and service industries in which the best hopes of exports now lie. The effort will suffer if political clumsiness at home increases social confrontation and labor market tensions. But it will crumble if untimely relaxations of economic policy revive inflation and further weaken the pound and the franc.

Thus the only policy response to depression and defeatist measures, like work-sharing, that seek to redistribute the pain of unemployment. Especially in West Germany and Britain, workers are being called to accept wage reductions and a loosening of the

safety net that has been woven over the past three decades. The result has been dismal. From 1980 to 1986, during a time of serious supply shocks (such as oil shortages) and through the partial dismantling of the welfare state, the unemployment rate in Western Europe has risen from 5.8 percent to 11 percent.

The Eurosclerosis interpretation of high unemployment is a dangerous half-truth. Structural problems do exacerbate the unemployment problem, but some structural problems are themselves the result of high unemployment. Just as increases in unemployment were followed by structural problems, so reductions in unemployment would be followed by dramatic structural improvements.

For example, high tax rates and overly generous social welfare benefits are often blamed for European unemployment. But each 1 percentage point reduction in unemployment in Europe today would allow a 4 percentage point reduction in tax rates

because of the reduced need for social welfare expenditures and the enlargement of the tax base as output expanded. In Britain and West Germany, more than half of government growth relative to GNP since 1972 can be attributed to abnormally slow GNP growth.

Unemployment is also attributed to excessive wages obtained by aggressive unions. Here too, unemployment is both cause and consequence. Unions in thriving industries often restrain wage demands for fear of encouraging companies to invest in productivity-enhancing capital or start up new non-union companies. Where industries are doing poorly, new investment is unlikely in any event, so unions have less cause to restrain wage demands. This helps explain why the relative wage rate of American steelworkers has risen so sharply in recent years and why unions have been as aggressive in Europe despite high unemployment.

Moreover, protracted unemployment be-

gets a lifeout mentality among unions. The interests of the long-term unemployed cannot be forgotten as unions serve the interests of the workers who remain employed. By shrinking the number of union insiders, protracted unemployment may induce unions to increase wage demands as they stop seeking to employ all of their initial members.

Propponents of the Eurosclerosis theory also suggest that high unemployment results from restrictions on the employer's ability to fire and fire. These restrictions do inhibit some employers, and they are conspicuously absent in the United States, where employment has grown rapidly. They surely must result from bunker mentality on the part of those who have jobs. The prospects for liberalizing restrictions on employers would surely be much greater in an environment where those who lost jobs could find new ones than in an environment like the current European one.

There is precedent for the malaise gripping Western Europe. In 1938, America had suffered a decade of depression. The unemployment rate stood at 14.1 percent. With the zeal of the New Deal exhausted, the same type of resigned acceptance we see in Europe became pervasive. Mayor Fiorello LaGuardia of New York contended that high unemployment had passed from a temporary emergency to a permanent condition.

Three years later, before America entered World War II, the unemployment rate had fallen by 12 percentage points, more than eight million jobs had been created and real GNP had risen by 45 percent. There can be no question about why. The expansive budget deficit and accommodating monetary policies associated with rearmament stimulated the economy and eliminated slack.

Many viewed the expansion with alarm, believing that 10 years of depression had permanently contracted the economy's capacity to produce. John Maynard Keynes, asked to predict the economy's potential in 1940, did so by extrapolating the trend of growth from 1914 to the beginning of the Depression in 1929, ignoring the ensuing period. While his prediction was seen as heretical at the time, it proved to be too pessimistic.

The lessons of history are durable. Recently, reckless profligacy by the Reagan administration and the equally reckless austerity of the nations of Western Europe have provided an ideal natural experiment for evaluating the effects of demand management policies.

Rising unemployment in Europe and the United States ran largely in parallel from the first oil shock in 1973 until 1982, before diverging sharply. U.S. fiscal policy turned strongly expansionary, with lavish investment incentives and burgeoning budget deficits, while structural budget surpluses ballooned in Europe. The European move toward fiscal contraction in recent years has been almost as large as the American fiscal expansion. At the same time, monetary policy in the United States accommodated the fiscal expansion by turning expansionary in the summer of 1982, while European monetary policy makers reinforced the fiscal contraction by driving real interest rates higher after 1982.

The results are apparent. Where employment in America has risen by 10 million jobs since the trough of the 1982 recession, employment in Western Europe is stagnant.

Logic and experience compel the same conclusion. Passive acceptance of high unemployment will lead to further ossification in the European economy. The unemployment problem will not solve itself today, any more than it did in the 1930s. Expansionary policies in Europe would promote employment and growth. For once, the easy course is the right one. Policy makers should act now.

Mr. Blanchard is professor of economics at the Massachusetts Institute of Technology. Mr. Summers is professor of economics at Harvard. They contributed this comment to The New York Times.



work and the profitability of the company no longer provide any guarantee. The Chevrolet Chevette was once GM's biggest-selling car, yet thousands of Chevette workers lost their jobs in December because GM stopped producing it. Small cars mean smaller profits.

What do baby boomers have to look forward to? Harper's magazine reckons that one of every 15 working Americans will at some point work at McDonald's. The service sector is now our fate, from flipping burgers to babysitting to answering telephones — all low-paying work with no benefits.

A college degree used to be a passport to a high-paying, professional job. No longer. Today it is worth little more than a high school diploma. A friend who taught high school social studies for 15 years was laid off last year; his seniority was too low to survive the cuts. He sells encyclopedias door-to-door and tells me of the other unemployed college graduates he finds sitting at home watching daytime television. They tell him they survive by mowing lawns or selling antiques.

Six years ago, Ronald Reagan promised prosperity, a new "morning in America." But what baby boomers have awakened to is a life filled with less so that the wealthy can have more. While the real median family income has fallen by 6 percent since 1979, the stock exchange keeps breaking records. The Fortune 500, euphoric with this extra cash, has trickled it down to the working families of the middle class; they have used it to buy each other out in an orgy of mergers.

The government's response to the growing disparity between rich and poor has been to redefine the terms. Full employment, which

the Labor Department once defined as all but 2 percent of the population working, has been redefined by the Reagan administration as 7 percent unemployment: eight million people.

The future looks even grimmer. The service sector will go the way of steel, auto and textiles. Computers and satellites make it possible to export office jobs anywhere. American Airlines has its airline tickets sorted and tabulated in Barbados; it has found that cheap labor is ready, willing and subsidized by Mr. Reagan's Caribbean Basin Initiative. And A.C. Nielsen, the ratings company, is one of the biggest U.S. employers in Mexico.

I have often wondered, with so many people unemployed by jobs sent offshore, who will be left to buy the cars, the videocassette recorders, the dishwashers? Does corporate America expect the new rich to consume the goods needed to maintain record profits? Can it hope to sell enough goods abroad?

My father called the other night from Flint and told me he had made the final \$40-a-month payment on his house mortgage. As I sit in my \$40-a-day apartment in San Francisco, I begin to think that the only way to stop today's slide is for us to put use some of the political consciousness we cut our teeth on in the 50s. We learned then that we could force the government to back down and meet our demands. In some ways, the challenge now is greater because we will go head-to-head with corporate America. "Hell, no, these gods won't go" doesn't sound half bad.

The writer, former editor of Mother Jones magazine, works with the consumer advocate Ralph Nader. He contributed this comment to Newsday.

May Gates Now Repair Relations Between the CIA and Congress

By Daniel Patrick Moynihan

The writer, a Democrat, is senior U.S. senator from New York.

This out is just the least bit alarming.)

The committees were set up in 1976. A long slide in intelligence capacity slowed, stopped, turned around: within 10 years, beginning under President Carter and continuing under President Reagan, the intelligence budget tripled.

Let me first argue that the establishment of the House and Senate intelligence committees was the best thing that ever happened to the agency and its workmates, the National Security Agency and the Defense Intelligence Agency. For an activity in the executive branch to flourish, it needs a pair of congressional committees to look after its budget and its interests generally. That is what took something called the intelligence

apprised in advance of "significant" ones. But these operations remained secret when, as in the case of Iran, adversaries made them known.

I joined the Senate committee in its second year and served an eight-year term, the last four as vice chairman.

By this time the practice had evolved of briefing only the chairman (in this case, Barry Goldwater) and the vice chairman about particularly sensitive activities. As time passed, it seemed to me we were getting more briefings than necessary — the career officers seemed more eager to brief — but Mr. Goldwater was patient, and as his second in command I understood my place and listened.

Then in January 1984 the agency, with presidential approval, nixed Nicaraguan harbors and did not tell us. This emerged in April of that year.

Mr. Goldwater was wild. On April 9

he sent a public letter to William J. Casey, the director of Central Intelligence, complete with an (explosive deleted) in the text as reproduced in The New York Times. Bill, he wrote,

"This is an act violating international law. It is an act of war. For the life of me, I don't see how we are going to explain it." Worse, not knowing the facts, Mr. Goldwater had misled the Senate the previous week in a debate on the budget. He was much more outraged, he took off for Asia.

On April 12, Robert C. McFarlane, the president's assistant for national security affairs, told a conference at the Naval Academy that, contrary to Mr. Goldwater's statement, "of very important detail" of the secret warfare in Nicaragua was "shared in full by the proper congressional oversight committees." In other words, Mr. Goldwater was a liar. As vice chairman, I did the only thing I could think of. I said I would resign in protest.

On April 25, Mr. Casey sent a handwritten apology note to Mr. Goldwater, and the next day apologized in person to the full committee. I said I would stay.

Honor satisfied, we asked our selves the larger question. Arrangements that had seemed to be working well had failed. Why? Was it that the statute requiring that the committees be apprised of "significant" operations did not sufficiently define "sig-

nificant"? Especially regarding a new development in an ongoing operation?

Very well, define it.

On June 6, Mr. Casey, with the approval of the president, signed an agreement, which Mr. Goldwater and I signed as well, setting forth "improved oversight procedures." The essence was that any activity requiring presidential approval would be reported in advance to the committee. In short, if you see the president's initials, don't think: report.

Then, a little over a year later, the exact same principals initiated the Iranian venture, breaking their explicit agreement to inform the committee of presidential authorization.

What say that Mr. Gates, at his confirmation hearing, was asked to reconfirm the "Casey acc

OPINION

In Europe You Can Hear Another View of Reagan

By William F. Buckley Jr.

GEVA — There are grounds aplenty for deliberating on the jadedness of old Europe, and she is always tempting Americans to do so, with the silliness that abounds.

"The only comforting thing about Sweden's population control policies," Malcolm Muggeridge observed a year or two ago, "is that I calculate that by the year 2010 there will be no Swedes left." Call it the Scandinavian Problem, which isn't all that far removed from a kind of pacifist isolation based on the calculation that if Sweden, Norway and Den-

ON THE RIGHT

mark engage in progressive aloofness from NATO, the Soviet Union will somehow forget them, as Switzerland succeeds in being forgotten, when the time comes to take over Europe.

And, of course, not only in Scandinavia far from it. West Germany has its Greens, almost doubled in strength in the last election. The major opposition party in Britain wants nothing less than unilateral nuclear disarmament, preferably combined with a U.S. guarantee to save England yet again. There are Americans, and they are growing in number, who think America should ration itself to saving Europe only twice per century.

For all these aberrations, there is an Old World savoir faire, utterly refreshing to the ear. One cosmopolitan woman, American-born, Greek-wed, Swiss-dwelling, was talking about the State of the Union address and the commentary in the International Herald Tribune about the scant attention the president had given to the Iranian affair.

"It is absolutely mystifying to us why so much attention was given to the matter in the first place," she said. "But then, of course, in Europe we have a very long history of chiefs of state dealing with other chiefs of state, directly and indirectly. We consider it their job to do this. If overtures do not succeed, our reaction is: They seldom do. But occasionally they do, and it is the business of state leaders to keep trying."

But what about the scandal aspect of Irangate, how does that sit in Europe?

"There are two aspects to the problem. One of them is that the socialist fraternity despises Reagan and was desperately anxious to find means with which to fuel their dislike; they piggy-

backed on American resentment. Especially they liked the poll that revealed that the majority of the American people thought Ronald Reagan was lying to them. They liked that because it served the purpose of deflating the Reagan myth, the Eagle Scout who cannot tell a lie.

"But," she continued, "substantively it was for us, a laugh. So arrangements are made to send money from one federal bank account to another in pursuit of a national purpose? No one in the administration even accused of stealing the money? Is that kind of thing going to shoot a country?" (the reference was to France) "that never bothered to find out the true story of whether Emperor Bokassa had attempted to influence Giscard d'Estrées' policies by giving him diamond necklaces for his wife?"

Well then, what about the hostage question? Here she said the Europeans were puzzled. Not so much that an American president would say one thing and surreptitiously do another to aid an American held hostage ("We do that kind of thing all the time") but that the president should insist that there was no relation between state policy and the release of the hostages. "What particularly stuck in the craw here was Reagan's position that the release of the American reporter Daniloff was unrelated to the release of the Soviet spy Zakharov. Look: Daniloff was released from Moscow, and within 24 hours Zakharov is released from New York."

One reminds her that Mr. Reagan insisted that the two transactions only coincidentally came together; that he had told friends it was as simple as that he had *refused* to deal with the Soviet Union concerning Mr. Zakharov, summit meetings or anything else pending the release of Mr. Daniloff.

To which "Ronald Reagan is trained in the theater and he has to know that what he calls a 'coincidence' he cannot begin to expect others to call such a thing. They view the existential reality, as Le Monde likes to put it: The United States wants Daniloff freed, the Soviet union wants Zakharov freed — both things come to fruition at the same time. Even though it is technically possible that the two events were coincidentally simultaneous — even as it might actually have been a coincidence that the lover was disporing the lady at home exactly when the cuckold was scheduled to return — as a political matter it is not accepted as a coincidence. Ronald Reagan is lost on that one.

"But we continue to view him as the strongest friend of Europe since Truman. He has a large reservoir of good will here in the anti-Communist community, which still controls Europe."

Universal Press Syndicate

**A Cardinal in Jerusalem**

George Will's diatribe against Cardinal John O'Connor's mission to Jerusalem ("The Cardinal's Pilgrimage Covers Something Sinister," Jan. 16), is profoundly irritating. To be subjected to such cant is an unexpected misery to one accustomed to reasoned argument in your pages.

From whom was Jerusalem "liberated"? (a term used twice in the column?) Its Arab inhabitants, Christian and Moslem, have lived there from time immemorial, pace Joan Peters and her ludicrous argument to the contrary. A case can be made that the Hashemite monarchy annexed the Old City and the West Bank in 1948 against the will of its population, but Israeli military occupation has been no improvement.

As for Mr. Will's old Zionist canard about Christian churches under Jordanian rule not being allowed to improve or buy properties, this is disinformation.

If the inhabitants of these territories, subjected to Israeli rule, against their

wishes for nearly two decades, were allowed the self-evident right to choose their own government, it would be one formed by the PLO and Yasser Arafat. To ask the United States to recognize Jerusalem as the capital of Israel is to ask it to commit the foreign policy gaffe of the age, from which there is nothing to be gained and everything that America has left in the way of credibility as a peacemaker in the Middle East to lose.

Internationalization of Jerusalem, a policy which the Vatican and much of the world, including the United States, has supported for the past 40 years, is the only long-term solution.

ROBERT B. BETTS,
Director, American Research
Center in Egypt, Cairo.

I found William F. Buckley Jr.'s opinion column ("It Would Seem That the Cardinal Was Ambushed" (Jan. 22) most distressing. It only added fuel to the fire of the controversy and ran aground over the salient points.

Every country has the right to deter-

mine where its capital shall be, and the act of recognition (the establishment of normal diplomatic relations) includes recognition of the capital. Cardinal John O'Connor knew when he accepted the invitation to visit Israel that Jerusalem was its capital. When someone is invited to dinner, it is reasonable to expect him to acknowledge the host's address.

The cardinal's statement at the Holocaust Museum was insensitive and inappropriate. As a Holocaust survivor, I would much prefer that my dear grandparents, uncles, aunts and cousins, murdered at ages ranging from 7 to 70, be allowed a normal life span rather than become "an enormous gift" that Judaism has given to the world.

DAVID FROEHLICH,
Chairman, Association of Americans
and Canadians in Israel,
Rehovot, Israel.

Mr. Buckley criticizes Morris B. Abram, spokesman of the Conference of Presidents of Major American Jewish Organizations. Indeed, Mr. Abram may

Black Gloves Had His Way; The Visitor Got the Message

By Sarah Burgess

CAMBRIDGE, Massachusetts — One day last year while I was a student at Fudan University in Shanghai, I met an unusual man in the school cafeteria. He was an uneducated but literate Chinese farmer who had spent a year traveling around China to talk with people about attitudes and aspirations, local social and political conditions. He lived on about 5 cents a day, sleeping in train stations or outdoors. He planned to continue for another year

MEANWHILE

and then report his observations and suggestions to Deng Xiaoping.

Many of the people who met him thought he was insane. He seemed to talk at face value the party pronouncements about the supremacy of country folk and the proletariat, and party claims to govern "from the bottom up."

He had managed to go quietly about his business for a year. But then he made the mistake of speaking with a foreigner.

After several hours of talking, I asked if I could make a copy of one of his reports. He agreed, and we set off for the one Xerox machine on campus, in the school library. As we sat on the front steps of the library waiting for the official in charge of the copying machine to return from a meeting (one must submit things to be Xeroxed; after all, a Xerox machine in the wrong hands is a dangerous tool), another man approached.

After commenting on the weather, he asked me to give him "the report." The newcomer's trench coat, black gloves and pockmarked face almost made me laugh; he seemed a parody of an evil secret agent. But he insisted. He said that the writer was insane.

The farmer had walked away while I was arguing. When Black Gloves finally gave up and left, I ran back to my dormitory. No sooner had I closed the door to my room than I was called down to the foyer by a voice from the box over my door. I went down and there was Black Gloves, demanding the report.

"Uh, I threw it out," I said. "Didn't you tell me it was written by a madman and was therefore only subversive?"

"In which trash can did you throw it?"

"I don't know, just one of those standard trash cans on campus," I replied.

"Come with me," he said. "We'll search every trash can on campus."

I said I needed to get my coat upstairs.

While Black Gloves waited in the foyer, I conferred with a foreign student who had spent years in China.

"You're out of your mind!" he shouted.

"That guy is the undercover Security Bureau flunky whose job is to watch us foreign students. Even if you don't get kicked out of the country right now, you may never be allowed back in. You could be jailed in a minute!"

I suddenly felt empathy with the students in the English class I taught who responded with silent gazes when asked for their views on anything less innocuous than food. I suddenly felt that universities in China suffocate rather than stimulate the youthful spirit.

My foreign friend insisted: "You must give the report to him — otherwise he'll think you passed it off to me and I'll be under suspicion, too."

And now it was too late for me to do anything to keep the farmer out of trouble. I gave up the report.

The story of Black Gloves is an example of how the Chinese government controls its citizens. The state also allocates housing, jobs, schooling, even permission to bear children, in ways calculated to enforce ideological conformity. But the Chinese spirit still manages to sparkle and flourish wherever it can.

This indomitable was again illustrated by the recent protests. Now it is again being repressed, subtly but still firmly. We can list the famous names stricken from the party rosters, but we will never know how many books were not written, songs not composed, experiments not undertaken and pictures not painted as a result of the renewed atmosphere of caution and fear that accompanies this latest turn of the screw.

The writer, a student in Harvard's East Asian studies department, contributed this comment to *The Washington Post*.

General News

Marseille Struggles to Find a New Leader

By Edward Cody

Washington Post Service

MARSEILLE — Deprived of a legendary leader, Marseille has become a city in search of itself, a boisterous Mediterranean family suddenly left with no one to head the clan.

Gaston Defferre imposed himself on Marseille at the end of World War II, emerging from the anti-Nazi underground submarine gun in hand. He ran the city as a Socialist mayor for 33 years with an iron fist and a wily political machine. That ended in May 1986, when he hit his head in a late-night fall and died at the age of 75.

Because of the way he personally dominated Marseille, Mr. Defferre's death left an unusual political vacuum. Since his burial, a cloud of uncertainty has settled over the city — Europe's second largest port after Rotterdam, France's second-largest city after Paris and one of the most colorful and crime-filled spots on the Mediterranean.

"All of a sudden, a giant has disappeared," said Philippe Sanzane, an assistant mayor and protege of Mr. Defferre.

Claude Bertrand, a top aide to Mr. Defferre's unsuccessful opponent in the last mayoral election in 1983, said the city has suffered from "emotional instability" since the white-manned boss of Marseille passed from the scene.

The people of Marseille are a little off-balance without the man who had been a sort of brand name for them," he added.

Jean-Claude Gaudin, the centrist politician for whom Mr. Bertrand works, said he hopes the people of Marseille will be ready to change to the brand of politics by the next election in 1989.

Local politicians knew Mr. Gaudin was running for mayor when he appeared in a recent demonstration in central Marseille wearing the kind of broad-rimmed fedora that Mr. Defferre had made his trademark.

"He put on the hat before putting on the coat," cracked Ronald Perdomo of the far-right National Front, who has its own ambitions to take over city hall.

Immediately after Mr. Defferre's death, his entourage installed his physician and close political ally,

Robert Vigouroux, as mayor. Mr. Vigouroux, who had little political experience or following of his own, was chosen largely as a compromise to avoid further battles in the white-split local Socialist Party.

Although Mr. Vigouroux has been careful to offend no one, the people of Marseille are still waiting for their next leader to emerge, local analysts said. Politicians in Marseille city — famous for frauds, gang wars and racial tension as well as fish soup — concluded long ago that the next mayor would have to have a strong dose of Mr. Defferre if he is to govern effectively.

"For the people of Marseille, a politician is somebody special," said Hyacinthe Santoni, a local Gaullist leader and city council member, adding: "They don't see things the way somebody from Paris would. For somebody from Marseille, a politician has to have something extraordinary to offer, something other people don't have."

Mr. Gaudin, a prominent National Assembly member from the centrist Republican Party, has let it

be known he thinks he could be the man. Mr. Bertrand, his aide, said Mr. Defferre's death had opened a "vacuum" that Mr. Gaudin hopes to fill by drawing both Socialist and rightist voters toward the center.

Mr. Gaudin, although Mr. Defferre's rival in 1983, was his deputy for urban affairs until 1977. That was when a national Socialist-Communist alliance forced Mr. Defferre to accept Communist partners in city hall.

Later, Mr. Defferre's authority in his own party was challenged by his former heir-apparent, Michel Pezet. It was after a long and stormy political meeting over control of the Socialist Party apparatus in Marseille that Mr. Defferre fell and sustained the fatal injury in his apartment overlooking the Old Port.

At the same time, Mr. Defferre's Marseille has changed. Always raucous and notorious for its former role as a center of international heroin trade, it has become known, in the words of a recent study commissioned by city hall, as "a sick, unhealthy city, a city in crisis, a city in decline, a city of risks."

Laundry still hangs in bright colors from the windows, and residents still gather at sundown to drink pastis in cafes around the port. But port activity, around which the city economy has long revolved, has dropped, and other industry has drifted away. Unemployment has risen to 14 percent, 4 percent above the national average.

Many residents have blamed the decline on Arab immigrants from Algeria. City officials have estimated that two thirds of Marseille's one million inhabitants came from North Africa.

But the immigrants' numbers have generated resentment and racial incidents that have become a major part of city hall concerns.

Partly as a result, the National Front, with its slogan "France for Frenchmen," has progressed from 5 percent of the electorate in 1983 to 24 percent in legislative elections last year.

Anglicans Warned of a Split

The Associated Press

LONDON — The bishop of London, Graham Leonard, said he is prepared to lead a breakaway from the Church of England if women are allowed to become priests.

Bishop Leonard, 65, the third-ranking prelate in the church, called Tuesday on opponents of women clergy to make an immediate start on planning for a historic split.

In an open statement to bishops, clergy, deacons and lay men and women, Bishop Leonard said that once ordination of women has begun, "those who could not remain in communion with the See of Canterbury would need to find other

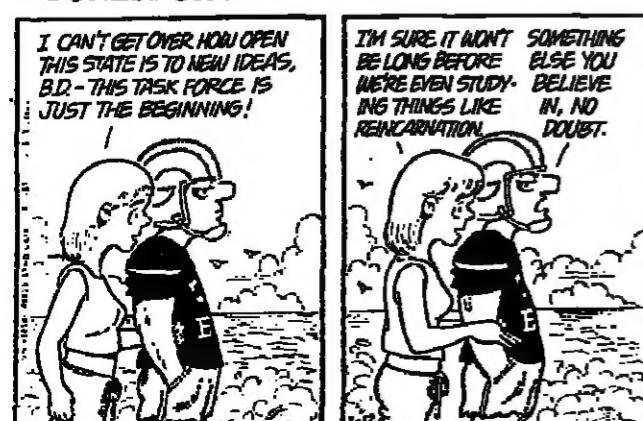
ways of continuing their existence within the universal church and would be entitled to explore such ways."

The church has been discussing for more than 20 years whether to open the priesthood to women. A decision is expected in the 1990s from the church's general synod of 574 bishops, clergy and laity. Bishop Leonard is the leading opponent.

A minority of the 44 diocesan bishops oppose women priests. But Bishop Leonard asserted that about 20 percent of the 10,700 clerical supporters support him. About 18,000 church members have registered their opposition to the ordination of women, he added.

Bishop Graham Leonard

DOONESBURY



Discover gold

مكتبة الأصل

SDI: Skepticism Rises Over U.S. Ability to Deploy Missile-Defense System in Next Decade

(Continued from Page 1)
sensor technologies have officially been eliminated.

In presenting the options for early deployment to Mr. Reagan, Defense Department officials have described promising technologies but not a "system architecture" that would describe the overall structure, feasibility and cost of an early deployment, according to officials of the Strategic Defense Initiative Organization.

"We don't have an early-deployment architecture defined yet," said Frank Stirling, an aide to the SDI director, Lieutenant General James A. Abrahamson, at a recent conference in Colorado. Congressional critics say such a blueprint is critical if an informed decision is to be made.

Advocates of early deployment find themselves in a quandary over how to describe the system. On the one hand, to sell the idea, they point out that the technology draws heavily on current, proven rocket systems. But to avoid conflict with the ABM treaty, they must portray the technology as new and exotic in order to proceed with testing under the broad interpretation of the treaty.

The treaty allows the testing of technologies undiscovered in 1972, based on "other physical principles." One senior military official said recently: "Either it's new or it's not new. Rockets are not new. There is going to have to be some fancy legal footwork" if tests are to be allowed.

The National Test Bed, a \$100 million computer-simulation project that SDI officials have long contended would provide the "truth test" of whether a deploy-



President Ronald Reagan salutes during an address to American Legion members in Washington in which he defended his arms buildup as expensive but necessary.

ment would be affordable and effective — and hence lead to a decision on whether to proceed — will not be ready until late 1989 or 1990. Contractors have not broken ground for the headquarters of the test bed project. Critics question how a decision could be made until the test bed is in operation.

Some advocates of early deployment admit that there are many unresolved engineering issues. But they contend that without a near-term goal, it may be impossible to get Congress to provide enough money to answer the questions.

As conceived by officials of the program and outside the first phase of a missile defense system would probably consist of three different types of interceptor rockets, each designed to knock out enemy missiles at different stages of their flight toward the continental United States.

While differing in some key respects, each of the three share some basic features: They would all be small, fast and nonnuclear, meaning that they would destroy oncoming missiles merely by colliding with them at very high speed.

The first line of defense for the early-deployment system would consist of small rockets, mounted on hundreds of orbiting "garage" satellites, that would attempt to knock out enemy missiles within minutes of launching, when their booster rockets provide a large, flaming target.

The second line of defense would involve a set of ground-based missiles launched from the United States, that would seek out the independently targeted warheads released from the missiles. That job is

far more difficult, however, because the warheads would be lost in a cloud of "decoys" also released from the enemy missiles.

The third layer of interceptor rockets also launched from the ground, would attack surviving warheads as they re-entered the atmosphere, seconds from explosion on earth.

By all accounts, the space-based rockets, called kinetic kill vehicles, would be the most difficult element, technically, of the interceptor system. Several hundred "garages" would be circling the earth at any given time, but only those above Soviet missile fields or submarines — about 10 percent of the fleet by some estimates — would be effective at the time of attack. After an initial warning from sensor satellites, the space-based rockets would home in on missile boosters as they left their silos.

In a report published in December advocating an early deployment, a five-member panel from the George C. Marshall Institute, a conservative research organization, said that such space-based weapons were "not a quantum leap beyond existing defense technologies, but an evolutionary development out of relatively mature technologies of air defense."

Along with other proponents of early deployment, the Marshall group pointed to the success of the Delta 180 experiment last September, in which a modified Delta rocket equipped with heat-sensing devices and special cameras homed in on and destroyed another Delta.

Critics agree that the test showed it was possible to find the target missile amid the hot exhaust gases

that surround its plume. But they point out that before any space-based rockets could be deployed, they would have to be drastically reduced, to about 250 pounds (113 kilograms) each, and that the SDI organization has yet to even issue a contract to address the engineering problems.

The trade magazine Aviation Week and Space Technology quoted an unnamed official of the program this week as saying that developing a 500-pound interceptor rocket, twice as large as the one required, would be "a piece of cake."

There is evidence, however, that Pentagon officials may be curtailling their requirements for the space-based rocket in order to incorporate it in an early-deployment system. Originally, the interceptor rockets were expected to be able to defend the "space garage" in which they are housed against attack, and to aid in destroying warheads once they are released from enemy missiles.

Recent briefings to congressional staff members, however, suggest that the long-wave infrared sensor, one of three used to pick out targets, may be absent from an initial deployment because the technology would not be ready.

"The bottom line," said one congressional staff expert, "is that the rockets may not have the capability to defend themselves against attack" by missiles or space mines, the expected countermeasures.

Experts said similar technology problems might affect the second layer of defense, rockets launched from the ground that would seek and destroy warheads as they hurtle through space during the relatively long midcourse of attack.

The midcourse weaponry is called the Exoatmospheric Reentry Vehicle Interception System, or ERIS. It is an outgrowth of the 1984 Homing Overlay Experiment, in which a rocket launched from the Kwajalein test range in the South Pacific destroyed a dummy nuclear warhead fired from Vandenberg Air Force Base, about 3,000 miles (4,848 kilometers) away.

The maneuverable stage of the rocket used in the experiment, containing the sensors and umbrella-like "kill device" that hits a warhead, weighed more than 2,000 pounds. But any ERIS kill vehicle inexpensive enough to deploy in large numbers "has to be in the area of 100 pounds," said James Katchis, the manager of the program at the Army Strategic Defense Command office in Huntsville, Ala.

"The goal is not really one of size, but one of cost," said Mr. Katchis. "The idea is to make the cost of killing a re-entry vehicle about one or two million dollars."

Not would anyone say how many ERIS missiles would be required, but the system would be responsible for protecting the entire country, officials say, not just the missile sites or specific cities.

Even some advocates of early deployment question whether the ERIS system would be able to identify warheads. "It is possible there will be very little discrimination ability in the ERIS system," said John Gardner, who left a post as the director of the SDI systems office to take a job at McDonnell Douglas in St. Louis.

"Even so, we think it is possible to do the job," he said. But critics say that because many missiles would be wasted on decoys, the cost of the system would quickly become prohibitive.

The current ERIS technology evaluation is not scheduled for completion until 1990 or 1991.

About that same time McDonnell Douglas is to complete testing on the third layer, the High Endoatmospheric Defense Intercepter, or HEDI, that would be the last line of defense against an incoming nuclear attack.

Unlike the ERIS project, the effort to develop a missile capable of intercepting warheads as they re-enter the atmosphere is not rooted in past experiments. "We are still at the ground-test stage," said Alan Sherer, the HEDI program manager.

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Should the technology questions be solved, there is considerable question over whether the nation has the launching capacity to put the system into place. Conservative estimates indicate that at least 6 million to 8 million pounds of gear — including space "garages," sensors and the battle-management stations that would coordinate the defense — would have to go into orbit. Some say the figure is twice that.

Getting 8 million pounds into orbit would require, excluding maintenance flights, about 125 space shuttle launches; five times the number launched before the Challenger disaster last year.

In any event, most experts say they doubt the Marshall Institute's conclusion that ERIS deployment could begin in 1992, and that initial defense operations could begin by the middle of the decade.

CAREER: McFarlane 'Adrift'

(Continued from Page 1)
ed, but apparently felt pressured by the criticism. Last week, David L. Boren, Democrat of Oklahoma, the chairman of the Senate Select Committee on Intelligence, called some of Mr. McFarlane's testimony "strange."

Mr. McFarlane's testimony conflicted with that of Mr. Regan over the question of when the president first approved the shipment of weapons to Iran. Mr. McFarlane testified that the president had approved the initial shipment of weapons through Israel, while Mr. Regan testified that he had not.

Others involved in the Iran initiative, including Mr. McFarlane's successor, Vice Admiral John M. Poindexter, and his key aide, Lieutenant Colonel Oliver L. North, had refused to testify, invoking their protections against self-incrimination under the Fifth Amendment of the U.S. Constitution. Friends of Mr. McFarlane said that increased the pressure on him.

Leonard Garment, Mr. McFarlane's attorney, said he felt a sense of duty to testify, and did so truthfully, but found himself "surrounded by so much hostility and such intense political opportunism."

Mr. Garment said it had been "very difficult" for Mr. McFarlane to "take advantage of anything for purposes of making a political point."

Mr. McFarlane was taken to Bethesda Naval Medical Center on Monday, just hours before he was scheduled to be interviewed again by the special review board chaired by former Senator John G. Tower, Republican of Texas. The board is investigating procedures of the National Security Council in the Iran contra affair.

Sources said the panel had scheduled a long session with Mr. McFarlane, in which he was to go over details provided by other officials and the panel's recommendations. The sources said the session was not expected to be confrontational.

Garment said the panel would be solved, there is considerable question over whether the nation has the launching capacity to put the system into place. Conservative estimates indicate that at least 6 million to 8 million pounds of gear — including space "garages," sensors and the battle-management stations that would coordinate the defense — would have to go into orbit. Some say the figure is twice that.

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In any event, most experts say they doubt the Marshall Institute's conclusion that ERIS deployment could begin in 1992, and that initial defense operations could begin by the middle of the decade.

However, an administration official who has known Mr. McFarlane since the early days of the Reagan presidency pointed out that Mr. Tower and another member of the panel, Brent Scowcroft, the former national security adviser, had been mentored to Mr. McFarlane. This official said that Mr. McFarlane may have felt anxiety about another long review of the Iran policy mistakes in front of two men for whom he had high esteem.

Others said that Mr. McFarlane's troubles run deeper. They recalled that he had worked for Henry A. Kissinger when Mr. Kissinger was Secretary of State.

After he resigned, he said that



Robert C. McFarlane

Pinochet Says Ex-Agent Is 'A Deserter'

By Malcolm Coad
Washington Post Service

SANTIAGO — President Augusto Pinochet has described as "a deserter" the former secret police officer whose testimony last week in U.S. District Court in Washington implicated the Chilean leader in a cover-up.

The former agent, Major Armando Fernandez, testified to being an accessory to murder in the 1976 slayings in Washington of Orlando Letelier, an exiled Chilean diplomat, and his American assistant, Ronni Moffit.

Major Fernandez said General Pinochet had ordered a judicial cover-up to prevent U.S. extradition of Suspects in the case.

General Pinochet, in his first public comment on Major Fernandez's flight to the United States, said Tuesday that "information I have indicates that this gentleman went thinking he was on the loose, when he was still in the army."

"As far as I'm concerned, he's a deserter," General Pinochet added.

His comments appeared to confirm that the Chilean Army plans to cashier Major Fernandez for leaving the country without permission and without awaiting a response to his resignation request submitted three weeks ago.

Observers have been expecting such a response as an attempt, in one diplomat's words, "to blatter Fernandez's name to contain the effects within the armed forces of his allegations."

Among human rights organizations, meanwhile, last week's revelations by Major Fernandez have rekindled hopes of getting new information on other unresolved political killings of Chileans.

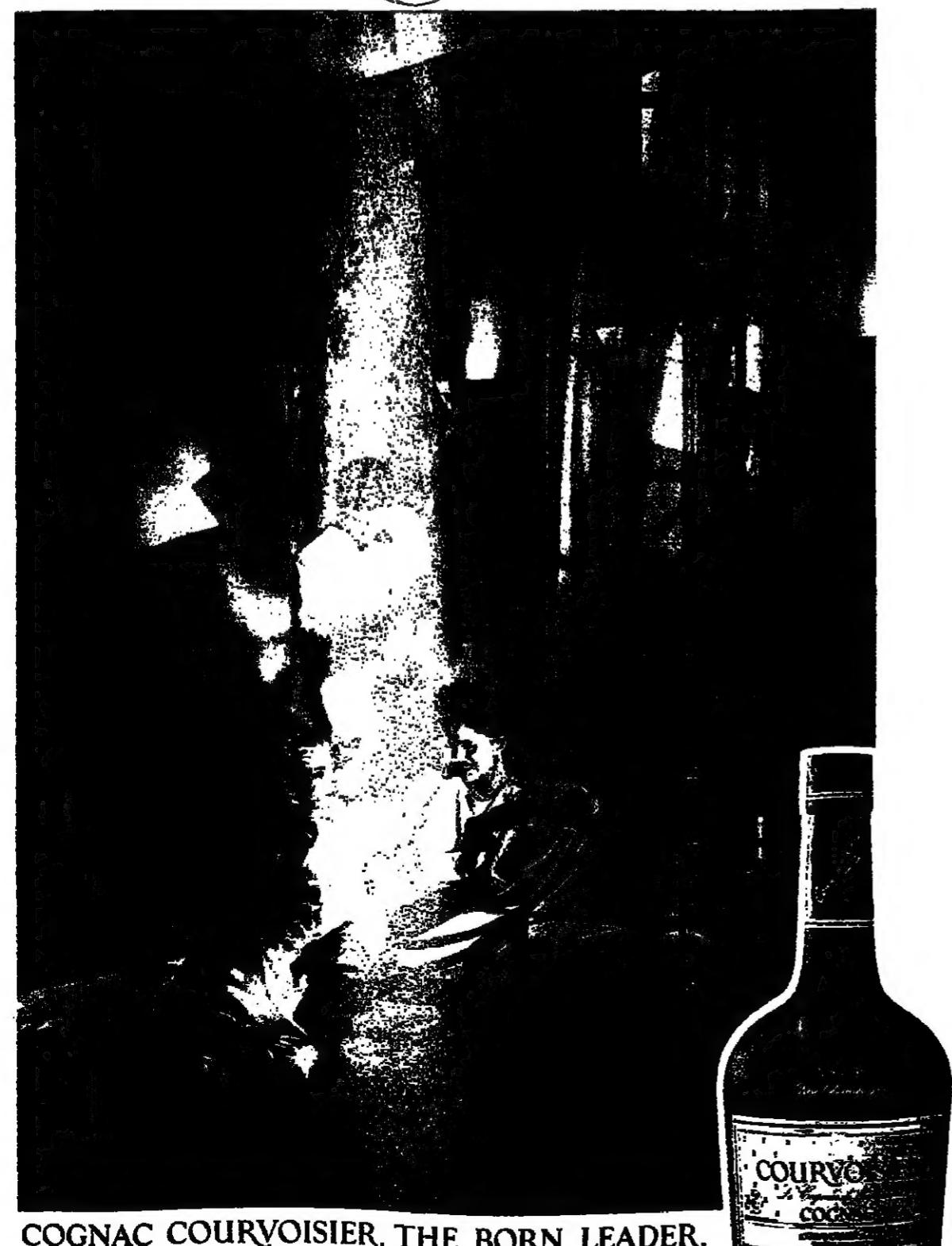
Carmen Hertz, a human rights lawyer and widow of a radio station director in the northern town of Calama, said: "We believe Major Fernandez 'took part in the firing squad execution of my husband and 25 other political detainees in October 1973.'

Mrs. Hertz said Monday that she would request the U.S. court to allow Major Fernandez to be questioned on the Calama executions.

The deaths were among 72 ordered in the Atacama Desert region during a visit by a military delegation from Santiago led by General Sergio Arellano Stark.

General Arellano was unavailable for comment this week, but in his previous statements on the case he has always said the deaths in the north were ordered without his knowledge.

COURVOISIER

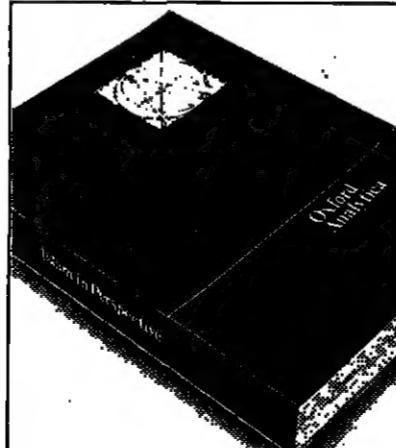


COGNAC COURVOISIER. THE BORN LEADER.

Le Cognac de l'epoque.

The Impact of Islam

(On politics, peace,
economics, and you).



Islamic fundamentalism. It will not go away, it cannot be ignored, it must be understood.

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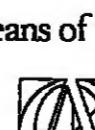
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SCIENCE

Freud's Fantasy On the Origin Of Neuroses

By Daniel Goleman
New York Times Service

NEW YORK — The recent discovery of a wildly speculative manuscript by Sigmund Freud, which had long been thought lost, promises to touch off a new round of debate about the influences that spawned psychoanalytic thought.

In the 1915 manuscript, titled "A Phylogenetic Fantasy," Freud proposes that anxiety, paranoia and other mental disorders each embody modes of behavior that were once adaptive for the human species in the stages of evolution before and during the Ice Age.

Although Freud evidently came to view some of the ideas in it as theoretical dead ends, the manuscript is certain to come under meticulous scrutiny by scholars seeking new clues into the development of his thinking. Because the ideas are so far-fetched, some allies of psychoanalysis fear Freud's critics may use the paper to dismiss the entire body of his work.

The manuscript, which will be issued in English translation later this spring by Harvard University Press, has already proved useful to scholars tracing Freud's thinking. Despite the fact that Freud evidently discarded it, ideas articulated in it emerge in bits and pieces in later writings. The document also points to the influence on Freud of the biological thinking of his time, especially the now discredited theories of the naturalist Jean-Baptiste de Lamarck, who wrote in the 18th and early 19th centuries.

Freud wrote the paper during a period of considerable stress in which he superstitiously feared that his own death was impending and in which some of his disciples were leaving the fold and proposing new theories. One of those disciples, Carl Jung, would lean heavily on evolutionary ideas similar to those used by Freud in this recently found document.

In the manuscript, according to many scholars, Freud appeared to turn to a literary mechanism he would use often in the explication of his ideas: He put forward a story that might or might not be grounded in reality but whose mythological content revealed what he saw as basic human conflicts.

"The Phylogenetic Fantasy"—a phrase Freud used in referring to his manuscript in a letter to an associate, and which has been used for the new publication—is in two parts. The first summarizes in a staccato style his emerging explanation of the origins of the neuroses and other mental problems.

The second half describes how these mental problems might be remnants of humanity's evolutionary travails. It elaborates on a theory of civilization Freud had first put forth two years earlier in "Totem and Taboo," a central drama playing on a familiar Freudian theme, the rivalry of father and son. He depicts a primitive horde of Ice Age people, headed by a tyrannical father. The father in this archetypal drama drives the sons into exile and they return to kill him in what can be seen as a variation on the Oedipal struggle.

The guilt that ensues from that murder, Freud proposed in "Totem and Taboo," has been passed on in human heredity. In the recently found manuscript, Freud traces all human psychopathology to this drama. He proposes that each element of this primal drama—parental tyranny, exile, murder, alienation after the death and depression—has found its way into the modern psyche as one mental disorder or another.

The manuscript was created at a time when Freud already had a

complex theory of personality but it appears to be part of his effort to bring that theory more nearly into line with the evolutionary ideas that were the passion of the day, particularly the ideas of Charles Darwin and Lamarck.

"I'm sure Freud would be horrified to find this published," said Arnold Modell, a psychoanalyst at Harvard Medical School. "But for Freud scholars it is quite a significant find."

The manuscript is one of 12 papers that Freud wrote in 1914 and 1915 on which he set forth the main theoretical underpinnings of psychoanalysis, a part of his work Freud called the "metapsychology." His intention was to formulate an all-embracing, grand theory of the psyche.

Freud chose to publish five of those papers and it had long been assumed that he destroyed the other seven. The best known of the published papers is "Mourning and Melancholia."

Freud wrote to many colleagues while he was working on the metapsychology, reporting on the progress of what he said would be the definitive summary of his theory.

Then, in a puzzling reversal, in a 1919 letter to Lou Andreas-Salomé, a close disciple, Freud denied that he had ever written the missing papers, including the newly discovered "Fantasy." The discovery of the missing manuscript deepens the hopes of some scholars that other lost Freud papers may yet turn up.

The manuscript was among documents belonging to Freud's daughter Anna, who died in 1983. The documents were found in a trunk containing the papers of Sandor Ferenczi. Freud had sent him a copy for comment.

Only a handful of American psychoanalysts have, as yet, seen the essay. The manuscript was published in German last year.

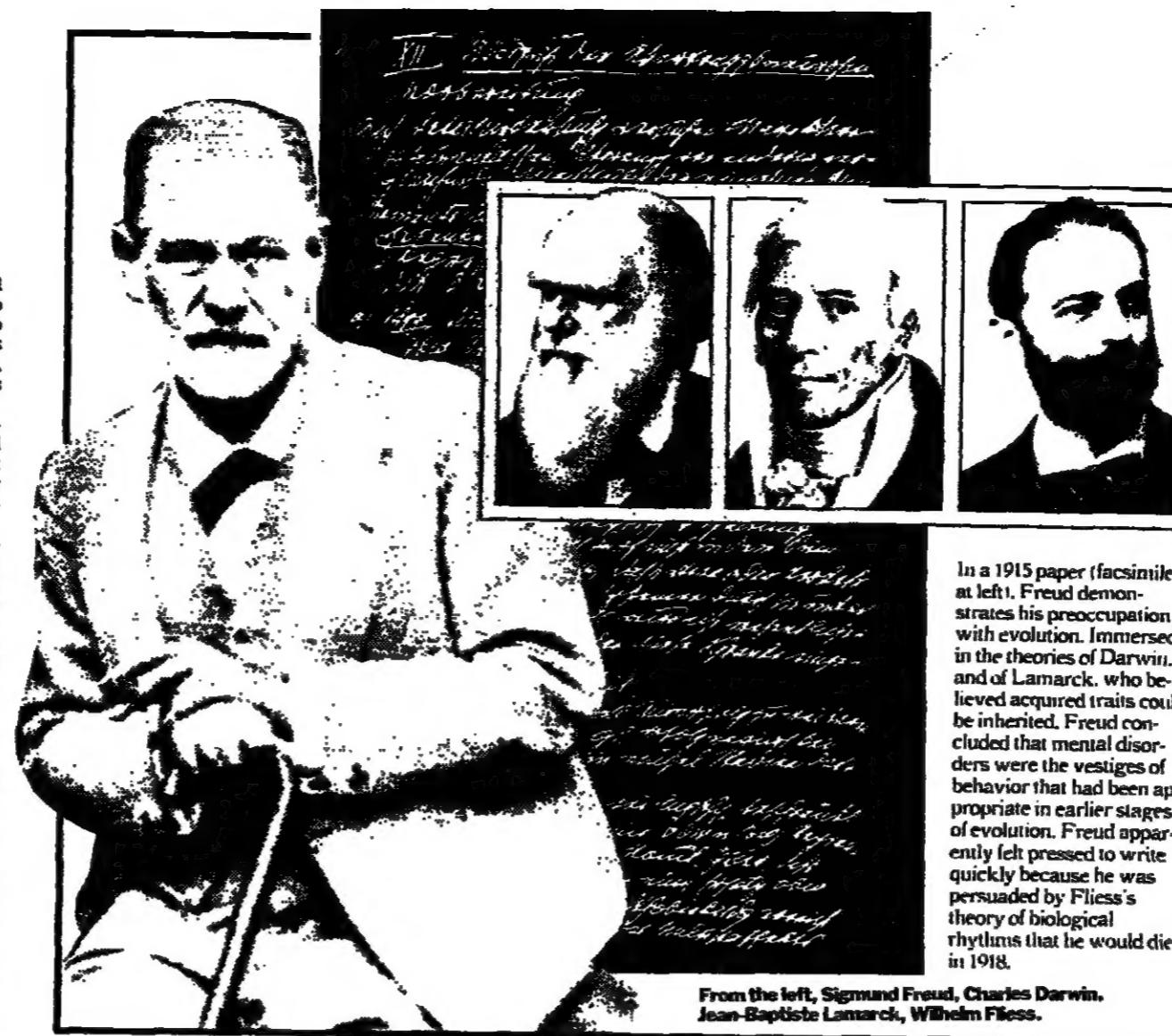
According to letters he sent at the time to several colleagues, Freud wrote the 12 metapsychological papers in a feverish burst of productivity over six months or so, when the disruptions of World War I had reduced his patients to two or three a day.

In the earliest stages, as Freud tells the fantasy story, humans lived in small bands in an Eden-like paradise where their survival needs were easily met. But with the onset of the Ice Age, people become highly anxious. The same anxiety, Freud proposed, is seen in infants who are fearful of strangers and anything new, and in adults as "anxiety hysteria," a neurosis that might now be called an "anxiety disorder."

As the Ice Age intensified and food shortages worsened, Freud wrote, the human hordes had to limit reproduction; they turned, he said without elaborating, to "perverse satisfactions" instead of genital sex. This, Freud proposed, is the basis for the neurosis he called "conversion hysteria," which today would be called simply hysteria. In that disorder, according to Freud, a sexual impulse is inhibited and shows up in disguised forms as, for instance, an imaginary paralysis.

As the Ice Age continued, humans gathered in small groups, each dominated by a strong, brutal father figure. The father figure used his intelligence and the newly discovered power of language to assert his invulnerability and exclusive right to the women in the group.

This phase of mankind has left the legacy, Freud asserted, of obsessive neurosis, a psychic legacy for mankind in which some people are obsessed with the need to follow rules and are the captives of detail. Similar scenes, particularly notorious in which Freud depicted the



From the left, Sigmund Freud, Charles Darwin, Jean-Baptiste Lamarck, Wilhelm Fliess.

In a 1915 paper (facsimile at left), Freud demonstrates his preoccupation with evolution. Immersed in the theories of Darwin and of Lamarck, who believed acquired traits could be inherited, Freud concluded that mental disorders were the vestiges of behavior that had been appropriate in earlier stages of evolution. Freud apparently felt pressed to write quickly because he was persuaded by Fliess's theory of biological rhythms that he would die in 1918.

castration of sons by the tyrannical father, suggested to him the evolutionary underpinnings of schizophrenia, mania and depression.

It was his view that each of these responses were all in some way reasonable adaptations to prehistoric reality. For example, Freud saw anxiety as an appropriate response to the hardships of the Ice Age and paranoia as a reasonable response of the sons to the tyrannical, castigating father. In Freud's view, these responses, acquired by one generation, were then passed on to successive ones.

Several scholars note that the "Fantasy" shows the strong influence on Freud of the thought of Lamarck, who proposed that characteristics acquired by an organism during its lifetime could be passed on to successive generations—a point of view thoroughly discredited by modern genetics.

It was not unreasonable for Freud to take Lamarck as seriously as he did, according to Stephen Jay Gould, an evolutionary biologist at Harvard University, and author of "Ontogeny and Phylogeny," in which he discusses Freud's evolutionary beliefs.

"When he learned his biology in the 1880s, Lamarck and recapitulation theory were prominent," Dr. Gould said. "But at the end of his life, when biology had thoroughly rejected Lamarck and recapitulation, Freud still clung to it. He had woven that view of evolution so thoroughly into his own thinking that he needed it for the logical consistency of his own theories."

The lost works may have found their way in disguised form into later publications by Freud. David Bawden, a Chicago psychoanalyst, proposes for instance that "Beyond the Pleasure Principle" and "The Ego and the Id" are repositories of ideas from the lost papers.

Some passages that Freud inserted after 1915 into later editions of earlier works show evidence of the ideas developed in the "Fantasy." In 1919, for instance, Freud added to "The Interpretation of Dreams," first published in 1900, a passage saying that "an individual's development is in fact an abbreviated recapitulation" of the development of the whole human race.

Similar scenes, particularly notorious

in which Freud depicted the

Even Large Valium Overdoses Are Unlikely to Cause Death

By Harold M. Schraneck
New York Times Service

THE tranquilizer diazepam, also known under the trade name Valium, is commonly used in suicide attempts but seldom causes death, experts say.

"In fact, it turns out to be the best thing for a would-be suicide to take," Dr. Philip Muskin of Columbia Presbyterian Medical Center said Tuesday, because diazepam alone is unlikely to cause death, leaving the would-be suicide with another chance at life.

Robert C. McFarlane, the former White House national security adviser, was hospitalized Monday for an overdose of the drug.

Some people have taken extremely large quantities of diazepam and have evidently suffered no major effects except sleeping for 48 hours. Specialists are often reluctant to specify what they mean by extremely large doses because they do not want to provide inadvertent advice to a would-be suicide.

McFarlane was reported to have taken more than 20 tablets. Experts said individuals had survived many times that amount. The drug is commonly taken in 5- or 10-milligram tablets. The risks of the drug are substantially greater, however, when large quantities are taken in combination with alcohol or other drugs.

poses could function well while using it. Today, however, specialists say it can be addictive when taken in excessive amounts over a long time.

Diazepam is extremely soluble in fat and, consequently, is taken up rapidly by the brain. It is estimated that the drug gets to its appropriate receptors in brain cells in 60 seconds.

A drawback to the drug is that it also lingers for a relatively long time in the body. It has been estimated that it takes the body as long as 50 hours to dispose of half of the drug.

The most common adverse effects of diazepam are lethargy, occasionally blurred vision or forgetfulness. Sometimes a patient who is under treatment for anxiety will appear to go into a state of depression. Specialists say that anxiety and depression often went together and that the depression in such cases was not likely to be a direct result of the drug but a manifestation of the patient's underlying condition.

The latest edition of the American Medical Association's Drug Evaluations text said benzodiazepines were usually the drugs of choice when anti-anxiety or sedative action was needed. The drugs are also used in some cases for alcohol withdrawal, seizures and localized muscle spasms.

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IN BRIEF

Giant Ape Bones Found in Vietnam

TUCSON, Arizona (LAT)—The first western anthropologists to visit North Vietnam since before the war have confirmed Vietnamese reports that prehistoric humans may have lived in Southeast Asia side by side with a massive primate known as Gigantopithecus.

John W. Olsen and Russell L. Ciochon, both of the University of Arizona, also confirmed that Vietnamese archaeologists have located new fossil deposits that may contain the first skull from the extinct ape. So far, scientists say the docile, plant-eating ape stood nine feet (2.7 meters) tall and weighed more than 600 pounds (about 272 kilograms).

The Arizona researchers said in a recent interview that they plan to return to Vietnam in December to help excavate the sites.

Survey Shows Support for Chemistry

CAMBRIDGE, Massachusetts (NYT)—A survey conducted for the American Chemical Society says that most Americans lack "the slightest idea" of what chemistry is, but regard it as important.

Despite the evident ignorance of most of the 1,448 respondents, 81.7 percent of them stated that they supported chemistry and chemists, according to polltakers for Cambridge Reports Inc. of Cambridge. People were less enthusiastic about chemical companies and manufacturers.

Leukemia Treatment Is 'Encouraging'

BOSTON (UPI)—Researchers have produced promising results treating a type of adult leukemia with an experimental therapy that involves transplanting patients' own bone marrow after it has been treated with tailor-made antibodies.

"It's encouraging," said Dr. Edward D. Ball of the Dartmouth Medical School in Hanover, New Hampshire. "Prolonged disease-free survival is being achieved in patients who historically would have relapsed."

Magnetometry Leads to Lost Tomb

BERKELEY, California (UPI)—Magnetometry, the science of measuring the intensity of the earth's magnetic field, led archaeologists to what they believe is the long-lost tomb of the sons of the Egyptian King Ramses II, Kent R. Weeks, a leading Egyptologist and associate professor at the University of California at Berkeley, recently reported.

He said he unearthed the debris-filled entrance of the 3,300-year-old tomb in January below a quarter-century-old sewer line in Egypt's Valley of the Kings. He used a combination of sonar, radar and magnetometry to find the right entrance. Mr. Weeks said in a report issued by the University of California.

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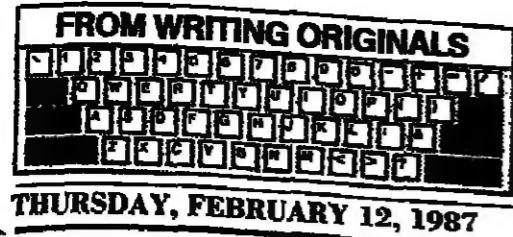
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THURSDAY, FEBRUARY 12, 1987

WALL STREET WATCH

Crackdown on Smoking Burns Tobacco Stocks

By VARTAN G. VARTAN
New York Times Service

NEW YORK — Tobacco stocks, the market's best-performing group last year, ran into a slight selling spell Tuesday. "Some people were cashing in their chips after big gains enjoyed by the tobacco," said Emanuel Goldman of Montgomery Securities in San Francisco.

Other forces also helped depress shares of the Big Three U.S. cigarette companies, according to industry analysts. These included continuing worries about product-liability litigation, concern over a possible large increase in cigarette excise taxes and a continuing decline in unit sales.

And in the latest of a series of restrictive moves, the New York Public Health Council adopted regulations Friday that would prohibit smoking as of May 7 in most public indoor areas in the state and restrict smoking on the job and in most restaurants. That action came as new federal rules went into effect restricting smoking in government buildings nationwide. As one analyst said, "These anti-smoking developments certainly are not a positive for the tobacco stocks."

Philip Morris dropped \$2 Tuesday, to \$34.675, while R.J.R. Nabisco declined \$1.675, to \$58.50. American Brands fell \$1.675, to \$49.50.

Last year, the tobacco group consisting of these three advanced 56.1 percent, according to Standard & Poor's. The gains reflected a continued rise in earnings and impressive profit margins by the widely diversified companies. Lately, however, money managers have placed less emphasis on consumer nondurables, including tobacco, soap and similar products, while enlarging holdings of technology and other cyclical sectors.

As a result, investment opinion remains divided on the outlook for tobacco issues. Mr. Goldman is bullish on the group. "We have buys on all three stocks," he said. "You have an unusual confluence of three factors working in their favor in 1987 and 1988. Prices are moving up, while production costs decline, so you get built-in margin expansion."

SECONDLY. "These companies produce excess cash flow, which means they are in a position to lower interest expense as they pay down debt," he said. "Finally, since they pay high corporate tax rates, the companies will benefit from lower rates stemming from tax reform."

Mr. Goldman is awaiting a decision on an important case in Boston before the U.S. 1st Circuit Court of Appeals on the sufficiency of health-warning labels. "It's a good risk-reward situation," he said. "If the companies lose, the stocks drop 10 percent; if they win, the stocks will make a large move up."

At Merrill Lynch, Alan Kaplan is considerably less optimistic about prospects for cigarette stocks over the next 12 months. Philip Morris has been a favorite of his for years. But the analyst downgraded his opinion a week ago to "neutral," matching the ratings carried on R.J.R. and American Brands. Mr. Kaplan's action followed proposals brought before the Senate Finance Committee, particularly one that would double the federal excise tax to 32 cents, on a pack of cigarettes.

For years, cigarette makers have been able to raise prices without serious consumer resistance, more than compensating for any decline in smoking habits. "But what concerns me now is the 1.5 percent annual decline in unit cigarette sales, compounded over the last five years," Mr. Kaplan said. "I expect the excise tax to rise 8 cents — and possibly 16 cents a pack."

"If the increases turn out to be 16 cents, and if the historical pattern of price increases prevails," he said, "the cost of an average pack would jump from \$1.15, to \$1.45. In the current low-inflation environment, however, I don't believe manufacturers can enjoy the same pricing flexibility prevailing in the past."

Low inflation is reducing cigarette makers' pricing flexibility.

U.S. Shifts Reporting On Trade Seeks Accuracy By Delaying Data

United Press International
WASHINGTON — Few government reports have had more impact and less relevance than the U.S. Commerce Department's estimate of the merchandise-trade deficit, but the department hopes to change that starting next month.

The agency has announced that it will delay reporting the monthly trade figure by about two weeks in an attempt to make the report more accurate. Figures that used to be reported within a month — such as the report for January, to be released Feb. 27 — will not be available until 40 to 45 days after the end of the month covered in the report.

The department also said Tuesday that it would delay its reports on the gross national product by a few days to include better data in its calculations.

The first of the newly delayed trade deficit reports will be February's, now scheduled for release on April 14, the Commerce Department said. Future reports will come out in midmonth.

"It's about time," said Michael Evans, an economic forecaster in Washington. He said the numbers were so unreliable "as to be meaningless, and the revisions got worse and worse every month."

The Commerce Department has revised its initial estimates every month during the past year, including a 9 percent revision in February's data and a 23.5 percent change in November's figure. Another big swing is expected Feb. 27, when the department revises its December estimate of a \$10.66 billion deficit.

The numbers change because shippers are allowed to take up to 10 working days before filing the export and import reports on which the government gets its trade data. As a result, the trade figures reflect the reports that came in during a month, not what actually left or entered the country in that period.

Paine Webber: Searching for a Niche

Having failed after seven years to push the group into investment banking's rich inner circle, its chairman, Donald B. Marron, is scaling down his goals.



By James Sterngold
New York Times Service

NEW YORK — Donald B. Marron, chairman of the Paine Webber Group, delighted recently in showing the playful new David Hockney photo montage hanging on the wall next to his desk. At a glance, it was hard to tell whether the jumbled image was falling apart, coming together or in a state of dynamic equilibrium.

Much the same might be said of Paine Webber. Seven years after Mr. Marron took over, it still is not clear what kind of company Paine Webber will turn out to be.

The brokerage house nearly collapsed in 1980 after an ill-conceived merger with Blyth Eastman Dillon, the investment banker. Mr. Marron has pulled his company back together, particularly its core retail business, and put it on a stable upward course. But he still has not succeeded at what he has called his most important objective: making Paine Webber a member of the "bulge bracket."

That is Wall Street's argument for the first rank of investment banking houses — Morgan Stanley and Shearson Lehman Brothers, Merrill Lynch, Salomon Brothers, Goldman Sachs and First Boston — which garners most of the major deals.

Investment banking is the most glamorous and profitable — albeit risky — area of the securities business. Nowhere is the competition tougher or the competition more determined to hold onto their share of the business. Paine Webber's story, in fact, is a familiar one: It is one of a handful of mid-sized securities companies, such as E.F. Hutton and Prudential-Bache Securities, vying with the industry's giants for a spot in the first ranks.

As recently as last year, Mr. Marron was saying he wanted to get Paine Webber into the top rank by 1989. But recently, for the first time, there have been signs that he is scaling back his objectives. He has said, for example, that "for us, the two most important things are that we are into quality businesses and that we produce a good return for our shareholders. That's what our strategy is aimed at, not getting into the bulge bracket."

For Mr. Marron, the struggle to establish Paine Webber's identity must be particularly vexing. A forceful, entrepreneurial man who stands 6 feet 6 inches (1.98 meters), he is used to achieving what he sets out to do. A thoughtful person whose most impressive quality can be how well he listens, he also is an executive who has shown "steely determination" in pursuing power and is comfortable exercising it, according to one of his closest friends, Bill Moyers, the television journalist and commentator.

Throughout his career he has proved himself unusually creative — and has made his ideas pay off. He built Mitchell Hutchins into one of Wall Street's premier stock research firms and sold it to Paine Webber in 1977. In 1986, with a Harvard economist, Otto Eckstein, he founded Data Resources, the pioneering economic forecaster. McGraw-Hill bought the company for \$103 million in 1979.

But cracking the big leagues of investment banking is proving a far greater challenge. Paine Webber remains tilted toward its retail, or consumer markets side. The company has 386 retail offices and about 4,400 brokers, the sixth largest in the industry.

See MARRON, Page 15

EC Seeks to Halt Evasions of Dumping Duties

Compiled by Our Staff From Dispatches

BRUSSELS — In a move likely to aggravate trade tensions between Western Europe and Japan, the European Community proposed a crackdown Wednesday on assembly plants designed to evade anti-dumping regulations.

The proposal would seek to prevent companies such as makers of cars and videotape recorders from avoiding anti-dumping duties by assembling foreign-made components in so-called "crewdriver factories" within the EC, a spokesman for the European Commission said.

The move by the EC's executive body, which must be approved by the community's 12 member governments, calls for a tax to be levied under certain conditions on products produced at such plants.

Anti-dumping duties are imposed on imported goods that are judged to be selling at artificially low prices.

The EC's proposal, which was widely expected, stems from frustration over the EC's widening trade deficit with Japan and complaints from European companies that the Japanese sell products at prices below the cost of production. Japan recorded a record \$17 billion trade surplus with the EC last year.

The proposal would authorize the EC's Council of Ministers to impose anti-dumping duties on products when the value of the products imported by the parent company for assembly in the EC exceed the value of the other parts of the final product by at least 20 percent.

The other components do not

have to come from within the EC, as long as they did not originate in the parent company's country. The Council of Ministers would decide what level of duty to impose in dumping cases.

Takeshi Kamitani, an official at the Japanese mission at the EC, said that Japan would be hardest hit by the proposed new regulation and that it probably would raise questions about its legality.

Willy de Clercq, the EC trade commissioner, said that the new levy would apply to all non-EC countries, not Japan alone. He said that the measure would be consistent with regulations under the General Agreement on Tariffs and Trade.

Each time that the EC has announced an anti-dumping investigation or a decision to impose anti-dumping duties on certain imported products, Mr. de Clercq said, "one witness, as if by miracle, a proliferation" of factories that assemble the same products from imported parts.

"We want to stop this phenomenon," he said. He said that the practice was particularly common in the production of electronic typewriters, photocopiers, mechanical diggers and scales.

Some commission officials had questioned whether the measure would prompt Japanese and other Asian companies to cut back their investment in Europe.

Commenting on that concern, Mr. de Clercq said that the proposal was "purely and simply" aimed at closing a loophole in the anti-dumping rules. (AP, Reuters, AFP)

Hoechst Says It Will Sue EC In European Court Over Raid

Reuters

FRANKFURT — Hoechst AG, the West German chemical giant, said Wednesday that it will sue the European Community Commission, further escalating what has become a test of the EC executive group's ability to enforce community law in member states.

A spokesman said Hoechst would institute proceedings Monday in the European Court of Justice in Luxembourg against EC efforts to search company files while seeking evidence of possible price fixing on two common types of plastic.

It was not known when the case would be heard.

Last week, the commission said it would fine Hoechst 1,000 European currency units (currently \$1,133) a day for every day it refused to give EC investigators access to its files.

The commission suspects eight European-based producers of PVC and polyethylene plastics of operating a price-fixing cartel. Other companies under investigation include BASF AG of West Germany and Solvay & Cie SA of Belgium.

warrant was invalid. Then, in a local court, Hoechst obtained a temporary ban against the search.

The commission also has warned the West German government that it believes Bonn has breached EC law by failing to support the raid on Hoechst. That could lead to the commission taking Bonn to the European Court.

The commission maintains that member states are obliged by the EC's founding Treaty of Rome to lend every assistance in such investigations.

Although officials from West Germany's Federal Cartel Office had accompanied the EC investigators, commission officials have said they believe that Bonn did not provide the necessary assistance for the Hoechst raid.

The commission suspects eight European-based producers of PVC and polyethylene plastics of operating a price-fixing cartel. Other companies under investigation include BASF AG of West Germany and Solvay & Cie SA of Belgium.

First Interstate Learns Difficulties of a Hostile Bid

The Associated Press

SAN FRANCISCO — First Interstate Bancorp's aborted bid to acquire BankAmerica Corp. illustrates the difficulty of making hostile banking takeovers work, analysts say.

First Interstate, which is based in Los Angeles, said on Monday that it would withdraw its \$3.2 billion buyout offer for BankAmerica, the second-biggest U.S. bank holding company after Citicorp.

Joseph J. Pinola, chairman of

First Interstate, said the "continuing dismemberment" of BankAmerica had diminished the bank's value. He was referring to the company's sale of millions of dollars of portfolio assets.

After First Interstate filed to acquire BankAmerica, the Fed asked for additional information and raised questions about whether First Interstate could bring enough capital to a merged bank.

Mr. Arsenio also noted that in the banking industry, "it's easy to defeat the takeover artist by simply selling undervalued assets."

BankAmerica's executives had faced California politicians in the bank's fight to remain independent. San Francisco's mayor, Dianne Feinstein, and Senator Alan Cranston, a Democrat, questioned the need for a merger.

In Los Angeles, the city council

first Interstate's withdrawal leaves BankAmerica free, at least for now, to focus on its restructuring program.

BankAmerica has sold off roughly \$2 billion in assets in the past two years to help raise cash and offset big operating losses. Chairman A.W. Clausen has plans to make a \$1 billion securities offering to raise capital, weed out problem loans and trim 3,400 jobs to reduce the payroll to 71,000 employees.

Saddled with \$4 billion in non-performing loans and \$7 billion in Latin American debt, BankAmerica posted a loss of \$518 million last year. The company hopes to turn an operating profit by the end of 1987, a spokesman said Tuesday.

But that picture may be changing fast. "The Koreans are not always explaining everything they may be doing," said Kieran McGowan, executive director of the Industrial Development Authority of Ireland. He said that Saecheon Media Corp. of Seoul had recently decided to build a \$60 million videocassette tape manufacturing plant in Ireland, representing Korea's largest single investment in the European Community.

Korean officials, while insisting that they were "not another Japan," nonetheless radiated determination to invest not only in the United States but, in Western Europe.

"Our investment activity internationally is just beginning to take shape — and we are not discriminating among regions," said Bong Soo Hahn, president of the Korea Trade Promotion Corp.

Trade Promotion Corp. officials cited figures showing that as of last August, overseas investment by Korean companies had risen to about \$700 million, roughly 63 percent of which was in the United States and Canada, followed by Southeast Asia, the Middle East and Latin America.

Western Europe, according to the figures, had only accounted for \$14 million, which was half of what Korea had invested in Africa during the same period.

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Some Third World officials at the symposium said they were feeling the shift in investment interest to the United States and, to a lesser degree, to Europe. "We now recognize that the lower dollar and the higher yen is making the U.S. very recommendable," said Sanyoto Sastrowardoyo, vice chairman of the Indonesian government's investment agency.

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Source: Morgan Guaranty; Commerzbank; Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); MIF (Zurich); BAWI (Vienna); Credit Suisse.

Figures: One-year, three-year, five-year, seven-year, 10-year, 15-year, 20-year, 30-year, 40-year, 50-year, 60-year, 70-year, 80-year, 90-year, 100-year, 110-year, 120-year, 130-year, 140-year, 150-year, 160-year, 170-year, 180-year, 190-year, 200-year, 210-year, 220-year, 230-year, 240-year, 250-year, 260-year, 270-year, 280-year, 290-year, 300-year, 310-year, 320-year, 330-year, 340-year, 350-year, 360-year, 370-year, 380-year, 390-year, 400-year, 410-year, 420-year, 430-year, 440-year, 450-year, 460-year, 470-year, 480-year, 490-year, 500-year, 510-year, 5

NYSE Most Actives						
Vol.	High	Low	Last	Chg.		
Dixons	10,043	12	12	+ 10		
AMT	10,000	12	12	+ 10		
ComEd	10,018	12	12	+ 10		
PEPSI	10,000	12	12	+ 10		
AMCO	10,000	12	12	+ 10		
NASCAM	10,000	12	12	+ 10		
AMT	10,000	12	12	+ 10		
Robotex	10,000	12	12	+ 10		
Globe	10,000	12	12	+ 10		
Southern	10,000	12	12	+ 10		
IBM	10,000	12	12	+ 10		
AmEx	10,000	12	12	+ 10		
Coca-Cola	10,000	12	12	+ 10		

Market Sales						
NYSE 3 p.m. volume	114,276,000					
NYSE new, close, close	117,274,000					
Amex 3 p.m. volume	12,400,000					
Amex 3 p.m. close, close	12,400,000					
Prev. 6 P.M. 3.0% volume	14,200,000					

NYSE Index						
Composite	158.51	154.49	152.18	+ 0.24		
Industrials	158.42	154.18	152.52	+ 0.27		
Transport.	158.42	154.18	152.52	+ 0.27		
Finance	154.53	150.72	150.14	+ 0.33		

Wednesday's NYSE Closing

Via The Associated Press

AMEX Diary						
Advanced	353	328				
Declined	221	224				
Unchanged	212	242				
Total Issues	782	849				
New Highs	—	—				
New Lows	—	—				

NASDAQ Index						
Prev. 6 P.M.	249	249	249	249		
Today 250	250	250	250	250		
High	250	250	250	250		
Low	249	249	249	249		
Chg.	1	1	1	1		

AMEX Most Actives						
Vol.	High	Low	Last	Chg.		
Winn	10,043	12	12	+ 10		
BAT	10,000	12	12	+ 10		
World	10,000	12	12	+ 10		
TelAir	10,000	12	12	+ 10		
Witco	10,000	12	12	+ 10		
American	10,000	12	12	+ 10		
Applitek	10,000	12	12	+ 10		
Leviton	10,000	12	12	+ 10		
Trico	10,000	12	12	+ 10		

Dow Jones Bond Averages						
Prev.	Class	Close	Prev.	Class	Close	Prev.
Class	Close	Prev.	Class	Close	Prev.	Class
10-Year	10.23	10.23	10-Year	10.23	10.23	10-Year
30-Year	12.23	12.23	30-Year	12.23	12.23	30-Year
Industrial	10.23	10.23	Industrial	10.23	10.23	Industrial

NYSE Diary						
Class	Prev.	Close	Class	Prev.	Close	Class
Adv.	344	345	Decl.	226	227	Unch.
Decl.	224	225	Unch.	227	228	—
Unch.	275	276	Total	2,271	2,272	2,272
New Highs	—	—	New Lows	—	—	—

Odd-Lot Trading In N.Y.						
Buy	346,629	545,073	Sell	347,121	547,073	Net
Sell	347,121	547,073	Buy	346,629	545,073	Chg.
Adv.	224	225	Decl.	226	227	Unch.
Decl.	225	226	Unch.	227	228	—
Unch.	275	276	Total	2,271	2,272	2,272

Dow Jones Averages						
Open	High	Low	Last	Chg.		
Index	1,193.73	1,192.51	1,191.54	+ 1.02		
Trans.	1,192.51	1,191.54	1,190.57	+ 0.95		
Utilities	1,192.51	1,191.54	1,190.57	+ 0.95		
Finance	1,192.51	1,191.54	1,190.57	+ 0.95		

Standard & Poor's Index						
High	Low	Close	Today	Chg.		
Indust.	314.30	309.59	311.24	+ 0.25		
Trans.	312.51	307.87	309.24	+ 0.37		
Utilities	310.51	305.87	307.24	+ 0.43		
Finance	310.51	305.87	307.24	+ 0.43		

Previous NASDAQ Diary						
Chg.	P/W	Prev.	Close	Chg.	P/W	Prev.
Advanced	1,971	1,960	1,950	+ 1.00	1,971	1,960
Declined	1					

* BUSINESS ROUNDUP

Reuters's Pretax Profit Rises 39%

International Herald Tribune

LONDON — Reuters Holdings PLC, the fast-growing financial information and news group, said Wednesday that its pretax profit rose 39 percent in 1986, and that it would launch an expanded global equity information service by May.

Reuters recorded pretax profit of £130.1 million (\$198.4 at current rates), up from £93.6 million in 1985. The increase, continuing a pattern of sharp earnings growth in recent years, was in line with analysts' expectations.

Net profit for the year surged 47 percent, to £80.7 million, from £54.9 million in 1985. On an earnings-per-share basis, profit rose to 19.4 pence, from 13.2 pence.

Currency fluctuations contributed £7 million to net profit, the company said.

Revenue, spurred by buoyant European orders and favorable sec-

ond-half exchange rates, jumped 43 percent to £620 million, from £434.1 million a year earlier.

Glen Renfrew, Reuters managing director and chief executive, said 1986 profit would have been considerably higher had the group not invested heavily last year.

The company spent £72 million on acquisitions in 1986, including the £41.7 million purchase of a 49 percent stake in U.S.-based Instinet Corp., an automated trading service featuring U.S. equities.

Mr. Renfrew said that the outlook for 1987 was positive, and that Reuters remained interested in acquisitions. The company's cash balance at the end of last year was £3.4 million, he said.

Mr. Renfrew said that the company intended to acquire full control of Instinet by May as part of the merger agreement reached in November 1986.

He added that said Instinet's trading system would be integrated by May into a new electronic securities service, Equity 2000, providing price information on about 100,000 equities, futures, options and commodities.

Equity 2000, which is in its final testing stages, will offer faster and more detailed price information than Reuters' existing systems, which are able to provide coverage on 80,000 financial instruments, Mr. Renfrew said.

Canada to Sell TeleGlobe

Reuters

OTTAWA — State-run Teleglobe Canada Inc., which handles Canada's overseas telecommunications needs, is to be sold to Memco Data Inc. for \$68.3 million dollars (\$456 million), the Ottawa government announced Wednesday.

Goldsmith, Hersant Submit Only Bids for France's La Cinq

Reuters

PARIS — Sir James Goldsmith, the Anglo-French financier, and Robert Hersant, the rightist French press baron, are the only bidders for the private French television station La Cinq, a government commission has announced.

Official dealing began at 11.5 pence (\$1.83) for the shares, offered originally at 65 pence, but dropped later to 110.5 pence.

The high premium paid Wednesday for the shares seemed certain to draw criticism from the opposition Labor Party, which argues that the government is selling off public assets too cheaply.

The TV6 bidders were identified as Luxembourg's Compagnie Luxembourgeoise de Télevision; the cinema group UGC; the current owner, Gaumont-Publicis-NRJ; a group headed by the pay-TV station Canal Plus, and Capital TV.

La Cinq and TV6 franchises were granted by the former Socialist administration but scrapped by the rightist government of Prime Minister Jacques Chirac, on the ground that they had not been fairly offered.

In a separate development, the culture and communications minister, François Léotard, said the government would not lower the minimum price of 3 billion francs (about \$496 million) that it had set for the 50 percent state in TF1 that will be privatized. State-owned TF1 is France's most popular television network.

The sale of TF1 suffered a setback Sunday when a leading bidder, Agence Havas SA, the state-owned advertising and publishing company, said it was pulling out.

COMPANY NOTES

De Laurentiis Entertainment Group Inc. of Los Angeles said its Australian subsidiary had completed a public offering to Australian investors of 55 million ordinary shares, or 50 percent of the company, at 50 cents each. Proceeds will be used in part to finance film production and distribution.

Eastern Airlines said it had agreed to sell or lease six Airbus Industrie A-300 wide-body aircraft to another Texas Air Corp. unit, Continental Airlines, at undisclosed terms.

Minnesota Mining & Manufacturing Co. said it acquired Diaphon AB, a Swedish research and development company in Gothenburg, for an undisclosed cash sum. 3M said that Diaphon's technology was expected to result in a series of hearing aids that can be programmed by computer.

Pirelli SpA of Italy said it had signed a \$25 million contract with MRF Ltd., India's second-largest tire producer, to provide engineering assistance and machinery for a new MRF plant that will manufacture 3,500 tons of conveyor belts a year near Madras.

An Printemps SA, the French department store and supermarket chain, has taken a 14.66 percent stake in

La Redoute, the mail order and specialty store company, that is valued at \$600 million francs (\$82 million). Au Printemps said that the acquisition sheltered Redoute from any hostile takeover.

Siemens AG, the West German electronics conglomerate, said that the number of foreign shareholders in the company more than doubled in the four years to Oct. 1. Investors living abroad constituted 21 percent of all shareholders as of Oct. 1, and the foreign stake in Siemens' share capital had risen to 44 percent, worth 2.4 billion Deutsche marks (\$1.32 billion), from 30 percent in 1982.

Unocal Corp. of Schaumburg, Illinois, said it would raise its price on refined oil products by two-tenths of a cent per gallon on Feb. 15 to reflect a charge imposed on oil companies by the U.S. government to the "superfund" to clean up toxic waste.

Volkswagen AG expects to increase its car prices in the United States this year because of the weak dollar, the group's chairman said. In 1986, VW raised its U.S. prices fourfold because of the dollar's weakness, and combined sales of VWs and the Audi fell about 6 percent to 275,000 cars.

FED: Policy Shift Feared

(Continued from Page 1)

Federal Open Market Committee will not be made public until April 3.

"The economy is playing a big part here," said Mitchell J. Held, head of fixed-income research at Smith Barney. "An increase in the discount rate would just undo everything they have done so far."

Economists believe that the Fed is trying to tell the financial markets that it has put its accommodative policy of lower interest rates on temporary hold.

They suggested that the Fed is trying to signal that any possibility of another cut in the discount rate, which now stands at 5.5 percent, is clearly out of the question in the short term.

"Don't count on any more easing," said Lawrence Chimerine, chairman and chief economist for Chase Econometrics. "The Fed isn't going to ease any further until the dollar stabilizes."

The Fed's apparent decision to allow the market to bid up short-term interest rates is designed to reinforce that impression, many economists say.

"If it doesn't shore up the dollar," said Irwin L. Kellner, chief economist at Manufacturers Hanover Trust, "at least it's telling the market that there is a two-way street when it comes to the dollar."

"There is a need for any central bank to remind everyone about concern for its currency," he said.

Just how long the Fed will allow short-term rates to move higher is emerging as a key concern. The Fed will have to walk a fine line, tempering its concern for the dollar with the prospects for economic growth.

Mr. Kellner said that the Fed is far from abandoning its accommodative policies because it fears the snuffing out of any economic growth this year. It would not hesitate, he said, to add liquidity to the credit market and halt the rise if it appears to steep.

Most economists agree that the Fed wants to avoid a major strengthening of the U.S. currency, which could result if currency markets view the current rise in rates as an overall trend.

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BUSINESS PEOPLE

U.S. Said to Nominate Burch to Head Intelsat

By Arthur Higbee

International Herald Tribune

The U.S. government has nominated Dean Burch, a communications lawyer and former assistant to Republican presidents, to head Intelsat, the international satellite consortium, a government official has told The Washington Post.

The official said Tuesday that the State Department has instructed Comsat, a communications company that represents the United States in the 112-state Intelsat consortium, to nominate Mr. Burch as director general.

Intelsat fired its last director general, Richard R. Colino, in December after allegations of unauthorized payments to mortgage brokers for arranging a loan to refinance the consortium's new Washington offices. Mr. Colino has denied the allegations.

The company did not report six-month profits. But Heinz Brantlitzki, the deputy chairman of Porsche's managing board, said net profit is expected to total less than 70 million DM in the current fiscal year, a decline of at least 7 percent.

He added, however, that net profit in the year ending July 31 would probably exceed 50 million DM. Porsche earned 75.3 million DM in 1985/86, a sharp drop from the previous year.

Mr. Brantlitzki attributed the earnings drop largely to the decline of the dollar and lower sales in West Germany.

Porsche said its sales volume declined 4.3 percent, to 25,300 units, in the first half compared with the 1985/86 period. U.S. sales rose in the half, accounting for 63 percent of the total, compared with 54 percent for the full 1985/86 fiscal year.

Merger of Contel, Comsat Advances

The Associated Press

ATLANTA — Stockholders of Contel Corp., a telephone company, and Communications Satellite Corp., a quasi-governmental U.S. telecommunications company, have approved a stock-swap merger valued at about \$2.5 billion.

State agencies and the U.S. Federal Communications Commission still must approve the merger, which has been questioned by competitors and congressmen. Officials of the two companies said Wednesday that they were confident the marriage would be approved.

Spokesmen said Tuesday that the company would keep the name Comsat but would be managed by executives from Atlanta-based Contel, which has 2.3 million local telephone customers. Comsat, based in Washington, sells satellite capacity for international telephone and television networks.

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and chief executive. The company will be based in Muncie, Indiana, where Ball, maker of packaging, industrial and aerospace products, has its headquarters.

Federated Department Stores Inc. has named Barbara Bass as chairman and chief executive of a San Francisco-based I. Magnin & Company. Miss Bass, 36, will be the first woman chief executive of a Federated division. She moves up from executive vice president at Federated's Bloomingdale's division in New York. She succeeds Steven M. Somers, 47, who left to run a new company called Initials Plus Inc.

Subaru-Isuzu Automotive Inc. will be the name of a joint venture of two Japanese automakers building a \$500 million plant near Lafayette, Indiana. Toshio Yamamoto, maker of Fuji Heavy Industries Ltd., will be president and chief executive officer of Subaru-Isuzu, and Motoyuki Shin-

oda of Isuzu Motors Ltd. will be executive vice president and chief operating officer. Plant construction is scheduled to begin in April and to be completed in 1989. The factory will make 60,000 Subaru cars and 60,000 Isuzu light-duty trucks a year and employ about 1,700 workers.

Daisy Systems Corp., a Mountain View, California, manufacturer of computer-aided design systems, has given its president, Harvey C. Jones, the additional title of chief executive. He takes over that job from Marc Palevsky, who remains chairman. Mr. Jones, 34, had become president in a management shake-up last August, which saw the resignations of Aryeh Finegold as president and chief executive and of Frederick R. Adler as chairman. The restructuring followed an unexpected loss and layoffs for Daisy, which had previously been one of the fastest-growing high-technology companies.

WASHINGTON — The U.S. Interstate Commerce Commission voted unanimously Wednesday to approve CSX Corp.'s pending acquisition of Sea-Land Corp., the giant shipping company.

But the agency indefinitely delayed CSX's ability to take control of two Sea-Land trucking subsidiaries, Sea-Land Freight Service Inc. and Intermodal Systems Inc.

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December 1986

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February 11, 1987

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Goldsmith, Hersant Submit Only Bids for France's La Cinq

Reuters

PARIS — Sir James Goldsmith, the Anglo-French financier, and Robert Hersant, the rightist French press baron, are the only bidders for the private French television station La Cinq, a government commission has announced.

Official dealing began at 11.5 pence (\$1.83) for the shares, offered originally at 65 pence, but dropped later to 110.5 pence.

The TV6 bidders were identified as Luxembourg's Compagnie Luxembourgeoise de Télévision; the cinema group UGC; the current owner, Gaumont-Publicis-NRJ; a group headed by the pay-TV station Canal Plus, and Capital TV.

La Cinq and TV6 franchises were granted by the former Socialist administration but scrapped by the rightist government of Prime Minister Jacques Chirac, on the ground that they had not been fairly offered.

In a separate development, the culture and communications minister, François Léotard, said the government would not lower the minimum price of 3 billion francs (about \$496 million) that it had set for the 50 percent state in TF1 that will be privatized. State-owned TF1 is France's most popular television network.

The sale of TF1 suffered a setback Sunday when a leading bidder, Agence Havas SA, the state-owned advertising and publishing company, said it was pulling out.

Unocal Corp. of Schaumburg, Illinois, said it would raise its price on refined oil products by two-tenths of a cent per gallon on Feb. 15 to reflect a charge imposed on oil companies by the U.S. government to the "superfund" to clean up toxic waste.

Volkswagen AG expects to increase its car prices in the United States this year because of the weak dollar, the group's chairman said. In 1986, VW raised its U.S. prices fourfold because of the dollar's weakness, and combined sales of VWs and the Audi fell about 6 percent to 275,000 cars.

La Redoute, the mail order and specialty store company, that is valued at \$600 million francs (\$82 million). Au Printemps said that the acquisition sheltered Redoute from any hostile takeover.

Siemens AG, the West German electronics conglomerate, said that the number of foreign shareholders in the company more than doubled in the four years to Oct. 1. Investors living abroad constituted 21 percent of all shareholders as of Oct. 1, and the foreign stake in Siemens' share capital had risen to 44 percent, worth 2.4 billion Deutsche marks (\$1.32 billion), from 30 percent in 1982.

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**Wednesday's
AMEX
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High/Low	Stock	Div	Yld	PE	Sis. Mkt's	High	Low	Close Quot.	Chg/
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12 Month	High	Low	Start	Div	Yld	PE	Ses.			Close		
							MBB	High	Low	Cost	Gross	Chg
30-4	2134	2134	CDI				14	7	271	271	271	+ + +
4-5	214	214	CDI Co					112	332	314	314	- + + + +
2	214	214	CMAA Cp					5	144	136	126	- + + + +
12-2	74	74	CSS				7	24	15	124	124	- + + + +
22-9	144	144	Coblynn					574	203	124	124	- + + + +
16-8	78	78	Coch NJ					574	164	144	144	- + + + +
17-5	78	78	Cofia					203	124	14	14	- + + + +
27-2	194	194	Cohu k v	451	32			21	21	205	205	- + + + +
12-3	417	417	Colorop	301	103			61	84	84	84	- + + + +
18-1	112	112	Comco	44	24			178	154	144	144	- + + + +
19-1	13	13	Comcor	26	19			10	20	15	15	- + + + +
22-2	12	12	ComDoc	44	14			11	15	15	15	- + + + +
37-8	214	214	CWheat					15	21	21	21	- + + + +
51-3	74	74	Coptifd					15	21	21	21	- + + + +
16-8	56	56	Corbs					15	21	21	21	- + + + +
7-9	78	78	Core E	10	2.7			15	21	21	21	- + + + +
7-8	78	78	Core E A					15	21	21	21	- + + + +
8-8	62	62	Cormi n	321	58			15	21	21	21	- + + + +
19-2	174	174	Costa	208	54			15	21	21	21	- + + + +
31-2	246	246	Cotfcd	208	11			15	21	21	21	- + + + +
12	71	71	Codan	116	12			15	21	21	21	- + + + +
15-6	12	12	Centra	1.06	0.08			11	15	15	15	- + + + +
30-2	12	12	ChryBu					15	21	21	21	- + + + +
20-8	24	24	Chere					15	21	21	21	- + + + +
4-7	172	172	ChDev n					15	21	21	21	- + + + +
4-6	172	172	ChDm					15	21	21	21	- + + + +
22-8	224	224	Chfmp					15	21	21	21	- + + + +
12-2	174	174	Chfma					15	21	21	21	- + + + +
51-2	174	174	Chfmb					15	21	21	21	- + + + +
16-2	162	162	Chfmc					15	21	21	21	- + + + +
22-2	126	126	Chfmr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
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8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
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8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
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22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
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8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	- + + + +
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22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
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12-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
22-2	126	126	Chftr	52	10			15	21	21	21	- + + + +
8-2	72	72	Chftr	14	10			15	21	21	21	- + + + +
51-2	24	24	Chftr	11	11			15	21	21	21	

12 Month	High	Low	Stock	Div.	Yield	PE	% 12m High/Low	Close Growth	Chg.
147.4	87.6	Eltlow	.10	.7	17	14	94%	97.8	+1.1
124.2	105.2	ErvI B	.38	1.5	17	113	125%	125.1	+1.1
132.2	104.2	ErvJ A	.26	1.6	11	80	125%	125.1	+1.1
12.2	7.2	Excel's	.26	1.6	11	80	125%	97.5	+1.1
F									
34.4	20.2	Fabbing	.40	1.8	12	12	24%	22.8	+1.1
19.2	11.2	FairFor's	.10	.7	14	14	15%	19.2	+1.1
20	10.2	FalCdn B	.10	.7	14	14	15%	19.2	+1.1
25	17	Faruver	2.00	11.1	2	15	5%	20.2	+1.1
7.2	4.2	Fidata	.50	5.2	20	75	5%	20.2	+1.1
12.2	8.2	FIATV	.50	5.2	20	80	125%	18.2	-1.1
11.2	8.2	FIATV P	.50	5.2	14	15	15%	18.2	-1.1
6	4.2	FIGITI	1.00	9.4	23	110	15%	15.2	-1.1
16.2	11.2	FIGCOM	1.00	9.2	10	10	15%	15.2	-1.1
12.2	8.2	FIGFD B	.30	2.4	24	22	9%	11.2	-1.1
12.2	8.2	FIGFD C	.30	2.4	24	22	9%	11.2	-1.1
22.2	12.2	FIGGE	4.00	11.2	13	37	35%	20.2	-1.1
35.2	22	FIGGE B	4.00	11.2	13	37	35%	20.2	-1.1
5.2	3.2	ViFinimo	.50	1.9	10	11	1%	6.2	+1.1
21.2	10.2	Flaris's	.20	1.6	14	14	15%	18.2	-1.1
20	10.2	Fluke	.20	1.6	14	14	15%	18.2	-1.1
20.2	14	Foodrm	.20	1.6	14	14	15%	18.2	-1.1
7.2	4.2	Footell	.20	1.6	14	14	15%	18.2	-1.1
27.2	22	ForstCA	.30	4.0	21	21	17%	25.2	-1.1
34.2	22	ForstCB	.20	4.0	21	21	17%	25.2	-1.1
27	22	ForstCL	.20	4.0	21	21	17%	25.2	-1.1
14.2	12.2	ForstCM	.20	4.0	21	21	17%	25.2	-1.1
11	7.2	Frede's	.20	2.9	29	24	15%	21.2	-1.1
11	7.2	Frede's	.20	2.9	29	24	15%	21.2	-1.1
4.2	2.2	Freder's	.20	2.9	29	24	15%	21.2	-1.1
19.2	12.2	FurVN	.20	1.7	17	17	11%	19.2	+1.1
G									
30.2	5.2	GRI	.10	.7	19	19	15%	28.2	-1.1
14.2	5.2	GRIC	.10	.7	19	19	15%	28.2	-1.1
14.2	5.2	GalaxiC	.10	.7	19	19	15%	28.2	-1.1
31	22.2	Garbo	.10	.7	19	19	15%	28.2	-1.1
8.2	5.2	GarLi	.10	.7	19	19	15%	28.2	-1.1
17	11.2	Genba	.10	.7	19	19	15%	28.2	-1.1
24.2	14	GenCem	.10	.7	19	19	15%	28.2	-1.1
31.2	22	GenEmp	.100	3	35	35	15%	28.2	-1.1
17.2	11.2	GenExcr	.100	3	35	35	15%	28.2	-1.1
7.2	5.2	GenGra	.100	3	35	35	15%	28.2	-1.1
14.2	10.2	GenOr	.100	3	35	35	15%	28.2	-1.1
5.2	3.2	GenRat	.100	3	35	35	15%	28.2	-1.1
13.2	8.2	Geode	.10	5.2	22	16	15%	20.2	-1.1
22.2	12.2	Geode	.10	5.2	22	16	15%	20.2	-1.1
22.2	12.2	Geolyt	.10	5.2	22	16	15%	20.2	-1.1
24.2	12.2	GlaxiL	.100	15	28	28	15%	20.2	-1.1
4.2	2.2	GlaxiN	.100	15	28	28	15%	20.2	-1.1
22.2	12.2	GlaxiP	.100	15	28	28	15%	20.2	-1.1
24.2	12.2	GoldLP	.10	3.7	19	75	15%	20.2	-1.1
4.2	2.2	Graphic	.10	3.7	19	75	15%	20.2	-1.1
25.2	15.2	GrindAa	.10	3.7	19	75	15%	20.2	-1.1
7.2	5.2	GrindAn	.10	3.7	19	75	15%	20.2	-1.1
10.2	5.2	GrindAt	.10	3.7	19	75	15%	20.2	-1.1
26.2	17	GrindTr	.10	3.7	19	75	15%	20.2	-1.1
26.2	8	Grill&C	.50	7.3	35	35	15%	20.2	-1.1
18.2	11	Grinner	.50	7.3	35	35	15%	20.2	-1.1
8.2	5.2	GruenR	.50	7.3	35	35	15%	20.2	-1.1
14.2	9.2	GrudChs	.50	5.5	35	35	15%	20.2	-1.1
20	8.2	GrudMn	.50	5.5	35	35	15%	20.2	-1.1
3.2	3	GrICde	.50	5.5	35	35	15%	20.2	-1.1
15.2	3	GrICPdr	.50	4.6	35	35	15%	20.2	-1.1
15	3	Gull	.50	3	35	35	15%	20.2	-1.1
H									
26.2	9.2	HAL	.10	.7	5	5	15%	22.2	-1.1
17.2	9.2	Halifax	.10	.7	14	15	15%	22.2	-1.1
5.2	3.2	Halme	.10	.7	14	15	15%	22.2	-1.1
17.2	9.2	Hampt	1.37	10.4	4	15	15%	22.2	-1.1
17.2	9.2	Harley's	.10	.7	14	15	15%	22.2	-1.1
17.2	9.2	Harloin	.10	.7	14	15	15%	22.2	-1.1
11.2	7.2	Harvey	.30	34	4	15	15%	22.2	-1.1
30.2	18.2	Harss's	.08	4.2	12	12	15%	22.2	-1.1
28	18.2	Hosting	.08	4.2	12	12	15%	22.2	-1.1
17.2	9.2	Hitsman	.08	4.2	12	12	15%	22.2	-1.1
19.2	12.2	Hitsman's	1.50	9.2	11	11	15%	22.2	-1.1
15.2	8.2	Hitch	1.25	5.8	30	30	15%	22.2	-1.1
27.2	17	Heico	1.0	3	30	30	15%	22.2	-1.1
10	5	Heldar	1.0	3	30	30	15%	22.2	-1.1
17.2	9	HeimR	1.0	3	30	30	15%	22.2	-1.1
27.2	17	Herle	1.0	3	30	30	15%	22.2	-1.1
3.2	2	Herle's	1.0	3	30	30	15%	22.2	-1.1
27.2	17	Herdri	1.0	3	30	30	15%	22.2	-1.1
17.2	11.2	Hidron	2.0	15	34	34	15%	22.2	-1.1
41.2	17	Hoffman	2.0	15	34	34	15%	22.2	-1.1
27.2	17	Hmdege	1.00	2.95	12.3	12.3	15%	22.2	-1.1
6.2	3.2	Hmsh's	1.00	2.95	12.3	12.3	15%	22.2	-1.1
27.2	22	Hormel	.60	1.2	17	17	15%	22.2	-1.1
17.2	10	Hortwell	.60	1.2	17	17	15%	22.2	-1.1
6.2	3.2	Houli	.60	1.2	17	17	15%	22.2	-1.1
27.2	17	HouOT	.60	1.2	17	17	15%	22.2	-1.1
27.2	17	Houwens	.60	1.2	17	17	15%	22.2	-1.1
25.2	25	Hubela	.60	1.2	17	17	15%	22.2	-1.1
25.2	25	HubeA	.60	1.2	17	17	15%	22.2	-1.1
17.2	10	HudeFd	.60	1.2	17	17	15%	22.2	-1.1
17.2	10	HudeGn	.60	1.2	17	17	15%	22.2	-1.1
17.2	10	Husky	.60	1.2	17	17	15%	22.2	-1.1

12 Month High/Low	Stock	Div.	Yield	P/E	Ses		Close Gain/Loss
					High	Low	
16%	10-11	HIP	1.00	7.1	4	4	+1 +1
17%	10-12	Imperial			24	24	+1 +1
18%	10-13	Imperial			24	24	+1 +1
19%	10-14	Imperial			24	24	+1 +1
20%	10-15	Imperial			24	24	+1 +1
21%	10-16	Imperial			24	24	+1 +1
22%	10-17	Imperial			24	24	+1 +1
23%	10-18	Imperial			24	24	+1 +1
24%	10-19	Imperial			24	24	+1 +1
25%	10-20	Imperial			24	24	+1 +1
26%	10-21	Imperial			24	24	+1 +1
27%	10-22	Imperial			24	24	+1 +1
28%	10-23	Imperial			24	24	+1 +1
29%	10-24	Imperial			24	24	+1 +1
30%	10-25	Imperial			24	24	+1 +1
31%	10-26	Imperial			24	24	+1 +1
32%	10-27	Imperial			24	24	+1 +1
33%	10-28	Imperial			24	24	+1 +1
34%	10-29	Imperial			24	24	+1 +1
35%	10-30	Imperial			24	24	+1 +1
36%	10-31	Imperial			24	24	+1 +1
37%	10-32	Imperial			24	24	+1 +1
38%	10-33	Imperial			24	24	+1 +1
39%	10-34	Imperial			24	24	+1 +1
40%	10-35	Imperial			24	24	+1 +1
41%	10-36	Imperial			24	24	+1 +1
42%	10-37	Imperial			24	24	+1 +1
43%	10-38	Imperial			24	24	+1 +1
44%	10-39	Imperial			24	24	+1 +1
45%	10-40	Imperial			24	24	+1 +1
46%	10-41	Imperial			24	24	+1 +1
47%	10-42	Imperial			24	24	+1 +1
48%	10-43	Imperial			24	24	+1 +1
49%	10-44	Imperial			24	24	+1 +1
50%	10-45	Imperial			24	24	+1 +1
51%	10-46	Imperial			24	24	+1 +1
52%	10-47	Imperial			24	24	+1 +1
53%	10-48	Imperial			24	24	+1 +1
54%	10-49	Imperial			24	24	+1 +1
55%	10-50	Imperial			24	24	+1 +1
56%	10-51	Imperial			24	24	+1 +1
57%	10-52	Imperial			24	24	+1 +1
58%	10-53	Imperial			24	24	+1 +1
59%	10-54	Imperial			24	24	+1 +1
60%	10-55	Imperial			24	24	+1 +1
61%	10-56	Imperial			24	24	+1 +1
62%	10-57	Imperial			24	24	+1 +1
63%	10-58	Imperial			24	24	+1 +1
64%	10-59	Imperial			24	24	+1 +1
65%	10-60	Imperial			24	24	+1 +1
66%	10-61	Imperial			24	24	+1 +1
67%	10-62	Imperial			24	24	+1 +1
68%	10-63	Imperial			24	24	+1 +1
69%	10-64	Imperial			24	24	+1 +1
70%	10-65	Imperial			24	24	+1 +1
71%	10-66	Imperial			24	24	+1 +1
72%	10-67	Imperial			24	24	+1 +1
73%	10-68	Imperial			24	24	+1 +1
74%	10-69	Imperial			24	24	+1 +1
75%	10-70	Imperial			24	24	+1 +1
76%	10-71	Imperial			24	24	+1 +1
77%	10-72	Imperial			24	24	+1 +1
78%	10-73	Imperial			24	24	+1 +1
79%	10-74	Imperial			24	24	+1 +1
80%	10-75	Imperial			24	24	+1 +1
81%	10-76	Imperial			24	24	+1 +1
82%	10-77	Imperial			24	24	+1 +1
83%	10-78	Imperial			24	24	+1 +1
84%	10-79	Imperial			24	24	+1 +1
85%	10-80	Imperial			24	24	+1 +1
86%	10-81	Imperial			24	24	+1 +1
87%	10-82	Imperial			24	24	+1 +1
88%	10-83	Imperial			24	24	+1 +1
89%	10-84	Imperial			24	24	+1 +1
90%	10-85	Imperial			24	24	+1 +1
91%	10-86	Imperial			24	24	+1 +1
92%	10-87	Imperial			24	24	+1 +1
93%	10-88	Imperial			24	24	+1 +1
94%	10-89	Imperial			24	24	+1 +1
95%	10-90	Imperial			24	24	+1 +1
96%	10-91	Imperial			24	24	+1 +1
97%	10-92	Imperial			24	24	+1 +1
98%	10-93	Imperial			24	24	+1 +1
99%	10-94	Imperial			24	24	+1 +1
100%	10-95	Imperial			24	24	+1 +1
101%	10-96	Imperial			24	24	+1 +1
102%	10-97	Imperial			24	24	+1 +1
103%	10-98	Imperial			24	24	+1 +1
104%	10-99	Imperial			24	24	+1 +1
105%	10-100	Imperial			24	24	+1 +1
106%	10-101	Imperial			24	24	+1 +1
107%	10-102	Imperial			24	24	+1 +1
108%	10-103	Imperial			24	24	+1 +1
109%	10-104	Imperial			24	24	+1 +1
110%	10-105	Imperial			24	24	+1 +1
111%	10-106	Imperial			24	24	+1 +1
112%	10-107	Imperial			24	24	+1 +1
113%	10-108	Imperial			24	24	+1 +1
114%	10-109	Imperial			24	24	+1 +1
115%	10-110	Imperial			24	24	+1 +1
116%	10-111	Imperial			24	24	+1 +1
117%	10-112	Imperial			24	24	+1 +1
118%	10-113	Imperial			24	24	+1 +1
119%	10-114	Imperial			24	24	+1 +1
120%	10-115	Imperial			24	24	+1 +1
121%	10-116	Imperial			24	24	+1 +1
122%	10-117	Imperial			24	24	+1 +1
123%	10-118	Imperial			24	24	+1 +1
124%	10-119	Imperial			24	24	+1 +1
125%	10-120	Imperial			24	24	+1 +1
126%	10-121	Imperial			24	24	+1 +1
127%	10-122	Imperial			24	24	+1 +1
128%	10-123	Imperial			24	24	+1 +1
129%	10-124	Imperial			24	24	+1 +1
130%	10-125	Imperial			24	24	+1 +1
131%	10-126	Imperial			24	24	+1 +1
132%	10-127	Imperial			24	24	+1 +1
133%	10-128	Imperial			24	24	+1 +1
134%	10-129	Imperial			24	24	+1 +1
135%	10-130	Imperial			24	24	+1 +1
136%	10-131	Imperial			24	24	+1 +1
137%	10-132	Imperial			24	24	+1 +1
138%	10-133	Imperial			24	24	+1 +1
139%	10-134	Imperial			24	24	+1 +1
140%	10-135	Imperial			24	24	+1 +1
141%	10-136	Imperial			24	24	+1 +1
142%	10-137	Imperial			24	24	+1 +1
143%	10-138	Imperial			24	24	+1 +1
144%	10-139	Imperial			24	24	+1 +1
145%	10-140	Imperial			24	24	+1 +1
146%	10-141	Imperial			24	24	+1 +1
147%	10-142	Imperial			24	24	+1 +1
148%	10-143	Imperial			24	24	+1 +1
149%	10-144	Imperial			24	24	+1 +1
150%	10-145	Imperial			24	24	+1 +1
151%	10-146	Imperial			24	24	+1 +1
152%	10-147	Imperial			24	24	+1 +1
153%	10-148	Imperial			24	24	+1 +1
154%	10-149	Imperial			24	24	+1 +1
155%	10-150	Imperial			24	24	+1 +1
156%	10-151	Imperial			24	24	+1 +1
157%	10-152	Imperial			24	24	+1 +1
158%	10-153	Imperial			24	24	+1 +1
159%	10-154	Imperial			24	24	+1 +1
160%	10-155	Imperial			24	24	+1 +1
161%	10-156	Imperial			24	24	+1 +1
162%	10-157	Imperial			24	24	+1 +1
163%	10-158	Imperial			24	24	+1 +1
164%	10-159	Imperial			24	24	+1 +1
165%	10-160	Imperial			24	24	+1 +1
166%	10-161	Imperial			24	24	+1 +1
167%	10-162	Imperial			24	24	+1 +1
168%	10-163	Imperial			24	24	+1 +1
169%	10-164	Imperial			24	24	+1 +1
170%	10-165	Imperial			24	24	+1 +1
171%	10-166	Imperial			24	24	+1 +1
172%	10-167	Imperial			24	24	+1 +1
173%	10-168	Imperial			24	24	+1 +1
174%	10-169	Imperial			24	24	+1 +1
175%	10-170	Imperial			24	24	+1 +1
176%	10-171	Imperial			24	24	+1 +1
177%	10-172	Imperial			24	24	+1 +1
178%	10-173	Imperial			24	24	+1 +1
179%	10-174	Imperial			24	24	+1 +1
180%	10-175	Imperial			24	24	+1 +1
181%	10-176	Imperial			24	24	+1 +1
182%	10-177	Imperial			24	24	+1 +1
183%	10-178	Imperial			24	24	+1 +1
184%	10-179	Imperial			24	24	+1 +1
185%	10-180	Imperial			24	24	+1 +1
186%	10-181	Imperial			24	24	+1 +1
187%	10-182	Imperial			24	24	+1 +1
188%	10-183	Imperial			24	24	+1 +1
189%	10-184	Imperial			24	24	+1 +1
190%	10-185	Imperial			24	24	+1 +1
191%	10-186	Imperial			24	24	+1 +1
192%	10-187	Imperial			24	24	+1 +1
193%	10-188	Imperial			24	24	+1 +1
194%	10-189	Imperial			24	24	+1 +1
195%	10-190	Imperial			24	24	+1 +1
196%	10-191	Imperial			24	24	+1 +1
197%	10-192	Imperial			24	24	+1 +1
198%	10-193	Imperial			24	24	+1 +1
199%	10-194	Imperial			24	24	+1 +1
200%	10-195	Imperial			24	24	+1 +1
201%	10-196	Imperial			24	24	+1 +1
202%	10-197	Imperial			24	24	+1 +1
203%	10-198	Imperial			24	24	+1 +1
204%	10-199	Imperial			24	24	+1 +1
205%	10-200	Imperial			24	24	+1 +1
206%	10-201	Imperial			24	24	+1 +1
207%	10-202	Imperial			24	24	+1 +1
208%	10-203	Imperial			24	24	+1 +1
209%	10-204	Imperial			24	24	+1 +1
210%	10-205	Imperial			24	24	+1 +1
211%	10-206	Imperial			24	24	+1 +1
212%	10-207	Imperial			24	24	+1 +1
213%	10-208	Imperial			24	24	+1 +1
214%	10-209	Imperial			24	24	+1 +1
215%	10-210	Imperial			24	24	+1 +1
216%	10-211	Imperial	</td				

12 Month High	12 Month Low	Stock	21st	2nd	PE	11/21	12/18/80	12/18/80
374	24	Petrol PD	2.4	3.7	8	112	77	24.4
674	11	Plumbco				4	3	12.3
149	9	Porter Co.	.18			127	12	12.1
		R						
97	51	R&I	431	46	13	47	42	75.4
10	40	RBW	41	41	10	102	52	10.2
11	1	Ramas E.I.				65	27	2.2
12	160	Ranson	12	4	48	208	16	22.2
13	19	Renssela	50	50	17	1426	16	22.2
14	104	Riven	42	28	12	242	15	12.2
15	17	RICOH	9			134	13	12.2
16	17	RILCO	1,800	99	10	19	15	12.2
17	12	RIMCO wt				115	5	12.2
18	22	Riveter	10	10	14	121	20	20.0
19	152	RICOH	48	30	14	204	20	20.0
20	150	RICOH	50	67	17	194	20	20.0
21	47	RICOH	50	67	17	194	20	20.0
22	47	RICOH	50	67	17	194	20	20.0
23	75	RICOH	50	68	18	195	20	20.0
24	75	RICOH	50	68	18	195	20	20.0
25	75	RICOH	50	68	18	195	20	20.0
26	75	RICOH	50	68	18	195	20	20.0
27	12	RICOH	100	22	11	12	12	12.2
28	12	RICOH	100	22	11	12	12	12.2
29	12	RICOH	100	22	11	12	12	12.2
30	12	RICOH	100	22	11	12	12	12.2
31	12	RICOH	100	22	11	12	12	12.2
32	12	RICOH	100	22	11	12	12	12.2
33	12	RICOH	100	22	11	12	12	12.2
34	12	RICOH	100	22	11	12	12	12.2
35	12	RICOH	100	22	11	12	12	12.2
36	12	RICOH	100	22	11	12	12	12.2
37	12	RICOH	100	22	11	12	12	12.2
38	12	RICOH	100	22	11	12	12	12.2
39	12	RICOH	100	22	11	12	12	12.2
40	12	RICOH	100	22	11	12	12	12.2
41	12	RICOH	100	22	11	12	12	12.2
42	12	RICOH	100	22	11	12	12	12.2
43	12	RICOH	100	22	11	12	12	12.2
44	12	RICOH	100	22	11	12	12	12.2
45	12	RICOH	100	22	11	12	12	12.2
46	12	RICOH	100	22	11	12	12	12.2
47	12	RICOH	100	22	11	12	12	12.2
48	12	RICOH	100	22	11	12	12	12.2
49	12	RICOH	100	22	11	12	12	12.2
50	12	RICOH	100	22	11	12	12	12.2
51	12	RICOH	100	22	11	12	12	12.2
52	12	RICOH	100	22	11	12	12	12.2
53	12	RICOH	100	22	11	12	12	12.2
54	12	RICOH	100	22	11	12	12	12.2
55	12	RICOH	100	22	11	12	12	12.2
56	12	RICOH	100	22	11	12	12	12.2
57	12	RICOH	100	22	11	12	12	12.2
58	12	RICOH	100	22	11	12	12	12.2
59	12	RICOH	100	22	11	12	12	12.2
60	12	RICOH	100	22	11	12	12	12.2
61	12	RICOH	100	22	11	12	12	12.2
62	12	RICOH	100	22	11	12	12	12.2
63	12	RICOH	100	22	11	12	12	12.2
64	12	RICOH	100	22	11	12	12	12.2
65	12	RICOH	100	22	11	12	12	12.2
66	12	RICOH	100	22	11	12	12	12.2
67	12	RICOH	100	22	11	12	12	12.2
68	12	RICOH	100	22	11	12	12	12.2
69	12	RICOH	100	22	11	12	12	12.2
70	12	RICOH	100	22	11	12	12	12.2
71	12	RICOH	100	22	11	12	12	12.2
72	12	RICOH	100	22	11	12	12	12.2
73	12	RICOH	100	22	11	12	12	12.2
74	12	RICOH	100	22	11	12	12	12.2
75	12	RICOH	100	22	11	12	12	12.2
76	12	RICOH	100	22	11	12	12	12.2
77	12	RICOH	100	22	11	12	12	12.2
78	12	RICOH	100	22	11	12	12	12.2
79	12	RICOH	100	22	11	12	12	12.2
80	12	RICOH	100	22	11	12	12	12.2
81	12	RICOH	100	22	11	12	12	12.2
82	12	RICOH	100	22	11	12	12	12.2
83	12	RICOH	100	22	11	12	12	12.2
84	12	RICOH	100	22	11	12	12	12.2
85	12	RICOH	100	22	11	12	12	12.2
86	12	RICOH	100	22	11	12	12	12.2
87	12	RICOH	100	22	11	12	12	12.2
88	12	RICOH	100	22	11	12	12	12.2
89	12	RICOH	100	22	11	12	12	12.2
90	12	RICOH	100	22	11	12	12	12.2
91	12	RICOH	100	22	11	12	12	12.2
92	12	RICOH	100	22	11	12	12	12.2
93	12	RICOH	100	22	11	12	12	12.2
94	12	RICOH	100	22	11	12	12	12.2
95	12	RICOH	100	22	11	12	12	12.2
96	12	RICOH	100	22	11	12	12	12.2
97	12	RICOH	100	22	11	12	12	12.2
98	12	RICOH	100	22	11	12	12	12.2
99	12	RICOH	100	22	11	12	12	12.2
100	12	RICOH	100	22	11	12	12	12.2
101	12	RICOH	100	22	11	12	12	12.2
102	12	RICOH	100	22	11	12	12	12.2
103	12	RICOH	100	22	11	12	12	12.2
104	12	RICOH	100	22	11	12	12	12.2
105	12	RICOH	100	22	11	12	12	12.2
106	12	RICOH	100	22	11	12	12	12.2
107	12	RICOH	100	22	11	12	12	12.2
108	12	RICOH	100	22	11	12	12	12.2
109	12	RICOH	100	22	11	12	12	12.2
110	12	RICOH	100	22	11	12	12	12.2
111	12	RICOH	100	22	11	12	12	12.2
112	12	RICOH	100	22	11	12	12	12.2
113	12	RICOH	100	22	11	12	12	12.2
114	12	RICOH	100	22	11	12	12	12.2
115	12	RICOH	100	22	11	12	12	12.2
116	12	RICOH	100	22	11	12	12	12.2
117	12	RICOH	100	22	11	12	12	12.2
118	12	RICOH	100	22	11	12	12	12.2
119	12	RICOH	100	22	11	12	12	12.2
120	12	RICOH	100	22	11	12	12	12.2
121	12	RICOH	100	22	11	12	12	12.2
122	12	RICOH	100	22	11	12	12	12.2
123	12	RICOH	100	22	11	12	12	12.2
124	12	RICOH	100	22	11	12	12	12.2
125	12	RICOH	100	22	11	12	12	12.2
126	12	RICOH	100	22	11	12	12	12.2
127	12	RICOH	100	22	11	12	12	12.2
128	12	RICOH	100	22	11	12	12	12.2
129	12	RICOH	100	22	11	12	12	12.2
130	12	RICOH	100	22	11	12	12	12.2
131	12	RICOH	100	22	11	12	12	12.2
132	12	RICOH	100	22	11	12	12	12.2
133	12	RICOH	100	22	11	12	12	12.2
134	12	RICOH	100	22	11	12	12	12.2
135	12	RICOH	100	22	11	12	12	12.2
136	12	RICOH	100	22	11	12	12	12.2
137	12	RICOH	100	22	11	12	12	12.2
138	12	RICOH	100	22	11	12	12	12.2
139	12	RICOH	100	22	11	12	12	12.2
140	12	RICOH	100	22	11	12	12	12.2
141	12	RICOH	100	22	11	12	12	12.2
142	12	RICOH	100	22	11	12	12	12.2
143	12	RICOH	100	22	11	12	12	12.2
144	12	RICOH	100	22	11	12	12	12.2
145	12	RICOH	100	22	11	12	12	12.2
146	12	RICOH	100	22	11	12	12	12.2
147	12	RICOH	100	22	11	12	12	12.2
148	12	RICOH	100	22	11	12	12	12.2
149	12	RICOH	100	22	11	12	12	12.2
150	12	RICOH	100	22	11	12	12	12.2
151	12	RICOH	100	22	11	12	12	12.2
152	12	RICOH	100	22	11	12	12	12.2
153	12	RICOH	100	22	11	12	12	12.2
154	12	RICOH	100	22	11	12	12	12.2
155	12	RICOH	100	22	11	12	12	12.2
156	12	RICOH	100	22	11	12	12	12.2
157	12	RICOH	100	22	11	12	12	12.2
158	12	RICOH	100	22	11	12	12	12.2
159	12	RICOH	100	22	11	12	12	12.2
160	12	RICOH	100	22	11	12	12	12.2
161	12	RICOH	100	22	11	12	12	12.2
162	12	RICOH	100	22	11	12	12	12.2
163	12	RICOH	100	22	11	12	12	12.2
164	12	RICOH	100	22	11	12	12	12.2
165	12	RICOH	100	22	11	12	12	12.2
166	12	RICOH	100	22	11	12	12	12.2
167	12	RICOH	100	22	11	12	12	12.2
168	12	RICOH	100	22	11	12	12	12.2
169	12	RICOH	100	22	11	12	12	12.2
170	12	RICOH	100	22	11	12	12	12.2
171	12	RICOH	100	22	11	12	12	12.2
172	12	RICOH	100	22	11	12	12	12.2
173	12	RICOH	100	22	11	12	12	12.2
174	12	RICOH	100	22	11	12	12	12

France Calls on Banks To Delay Check Charges

PARIS — Finance Minister Edouard Balladur asked French banks on Wednesday to postpone handling charges for checks that were planned to introduce on April 1.

PARIS — Finance Minister Edouard Balladur asked French banks on Wednesday to postpone handling charges for checks that must planned to introduce on April 1.

Credit Lyonnais, one of the big three state-owned commercial banks, said it would comply with Mr. Balladur's request, presented at a meeting of the Association of French banks.

Last year, the banks association recommended that its members levy a 120 franc (about \$23) annual charge on checking accounts to cover check handling costs, starting on Jan. 1. Such charges are already part of banking life in several nations.

Consumer resistance forced the banks into a three-month postponement. Earlier this month, most banks sent circulars to their clients with complex plans for a mix of charges aimed at

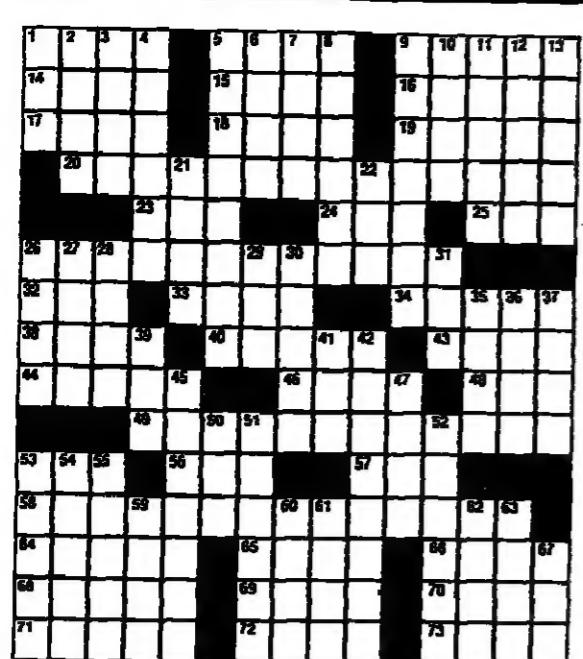
old figures are unofficial. **Yearly Highs and Lows**: I neglect to discuss dividends plus the current year, but see the latest stock story. When a stock is stuck at a standstill for months to 25 years or more has been held, the year's high-low range and end price are given for the new stock only. Unless otherwise stated, rates of dividends are annual dollar amounts based on final declaration.

Dividend Yield (also called **s.a.**, **s.b.**) = annual rate of dividend plus reinvested. **E** = liquidating dividend rate = carried over yearly less $\frac{1}{2}$ dividend declared or paid in prior period(s). **D** = **Dividends in arrears** (deemed subject to 12% interest). **I** = **Dividends in excess**. **T** = **Dividend declared after split-up or dividend**. **Y** = **Dividend paid this year**. **Yield** = **Dividend payout ratio** as of latest dividend meeting, plus **Dividend payout ratio since last year**, plus **Dividend payout ratio with dividends in arrears** if any have been paid since last year. The basic formula is $(D + E) / P$, but $(D + E) / Y$ is also used here. **P/E** = **Price-earnings ratio**. **R** = **Dividend yield** plus **Dividends in arrears** 12 months plus **Dividends in excess**. **S** = **Dividends paid in cash with date of split**. **Sig.** = **Symbol**. **T** = **Dividends paid in stock in preceding 12 months**, **Estimated cash** = **Dividends paid or estimated future cash**. **U** = **New yearly**. **V** = **Holding history**. **W** = **In bankruptcy or receivership**. **Z** = **Debt reorganized under the Bankruptcy Act or securities issued by such companies**. **YG** = **When classified**. **YH** = **When high**.



NOT AN EASY PLACE TO LEAVE.
STILL, IT WILL BE SINGAPORE AIRLINES ON THE WAY HOME...
BUSINESS CLASS, OF COURSE.

SINGAPORE AIRLINES 



ACROSS

- 1 Brewer's preparation
- 5 Diving-bell inventor
- 9 Padmag
- 14 City N of the Skagerrak
- 15 Source of some grease
- 16 Sound
- 17 Pecan pith
- 18 Aspen, for one
- 19 Notched, as a leaf
- 20 The Great Emancipator
- 21 "The —" Presley hit
- 22 Baton Rouge inst.
- 25 — Pres, Flemish composer
- 26 Who Booth struck: April 14, 1865
- 32 Ostrich's kin
- 33 Loaf
- 34 Finnish bath
- 38 Poet Edward Rowland
- 40 Passover feast
- 43 Like a bug in a rug
- 44 Pass imperceptibly
- 46 What video means
- 48 Mrs. Cantor
- 49 Epithet for 20 Across

DOWN

- 1 Apple-pie maker
- 2 Where Shafar is
- 3 Goeden's plate
- 4 Dragster
- 5 Art lovers
- 6 Emancipation
- 7 Form an opinion
- 8 Kim Hunter role
- 9 Approaches
- 10 Painter Chagall
- 11 Kind of bank or test
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SPORTS

IOC Panel Paves Way For Tennis Pros in '88

The Associated Press

LAUSANNE, Switzerland — An experimental plan to permit professional tennis players to compete as temporary amateurs in the 1988 Olympic Games was adopted unanimously by the International Olympic Committee's executive board on Wednesday.

Tennis is the last sport with eligibility for the Seoul Games still untested, but the plan would be among the most liberal of eligibility rules that are steering the Olympics "in strictly amateur to open competitions."

Under the plan, drawn up by the International Tennis Federation, pros would have to suspend their working connections — endorsement contracts, equipment logos, links to personal coaches and agents — for a two-week training period and then the two-week duration of the Games.

With the Games beginning Sept. 17, training would begin almost immediately after the end of the U.S. Open.

Professionals would be subject to such Olympic regulations as doping controls and living in the athletes' village.

The proposal would bar players from accepting, "either directly or indirectly, any form of financial reward for [their] participation in the plan."



Wayne Gretzky: "Only one idea."

or results of the Olympic tournament." Exceptions would be payments established by a player's national Olympic committee.

Presented to the board by the IOC's eligibility commission, the plan would be in effect for 1988 only. But the panel said that "future decisions regarding tennis" would be based on "the experience of the 1988 Games."

"This is a provisional test — an experiment worked out by the ITF and the IOC," said Raymond Gainer, an IOC member from Switzerland and a member of both the executive board and the eligibility commission.

In what Gainer described as part of a move "to give the ITF opportunity to take control again of tennis as a whole," professionals who turn down berths on Davis Cup or Federation Cup teams "would be ineligible for the Games."

Those two international competitions, along with regional qualifying rounds, would decide the Olympic field.

Philippe Charlier, the ITF president, has pushed hard for allowing the sport's top players into the Olympics, and the way was cleared last December when Soviet Olympic officials gave tacit approval to the plan.

VANTAGE POINT/George Vecsey**'Well, I'm a Gentleman...'**

New York Times Service

NEW YORK — When Michael Burke worked as a sports executive in this town, he always seemed a throwback to the age when gallantry was expected, when brave gestures were not just a page out of *Henry V*.

Burke, who rarely talked about the duties he had performed behind enemy lines, lived by a pacific code when the war was over.

What kind of a gentleman was Burke, who died last Thursday of cancer in Dublin? More than the executive who never quite won the championship with the New York Yankees or the New York Knicks, more than a wartime agent with the Office of Strategic Services, more than the man who recommended that CBS buy the rights to a new musical called "My Fair Lady."

On the plane back from Sunday's National Basketball Association all-star game, Commissioner David Stern recalled when Burke was president of the Knicks and Stern was counsel for the league.

"The Knicks always caught it at meetings because they were the big bad New York team, and cable television, trying to sign Wilt Chamberlain and Spencer Haywood," recalled Stern.

"I'm sure Burke was a target because of his parochial image," Stern said, evoking the image of Burke's pinstriped suits and the mane of white hair that made him look like a both a member of the House of Lords and a County Galway poet.

The commissioner then told how Roy Bce, owner of the Long Island Nets, had been trying to buy his way from the shabby American Basketball Association into the established league. Bce had one major asset — the high-flying Julius Erving.

"I'll never forget Roy Bce coming up to Mike in the hallway during one of our meetings and saying he would give Erving to the Knicks if they would let the Nets into the league," Stern said.

"Mike turned to Roy and said, 'Roy, that just isn't what we're up to here.' I couldn't help remembering that conversation after Bce got into the league and then sold Erving to Philadelphia for \$3 million."

For the sake of a principle, Burke could not reach the team's goals.



Michael Burke in 1969

and manfully rebuilt his career with the Pirates.

Now the hitting instructor of the New York Mets, Robinson said the other night: "In 1979, I was lucky enough to be on base when Willie Stargell hit the home run that won the Series. A few weeks later, I got a package in the mail containing a laminated front page from the Daily News with the picture of me hugging Willie."

"Mike also wrote me a note that said, 'You might not know this, but I follow your career closely and am very proud for you.' I got choked up just thinking about Mike."

He was handsome and seemingly timeless — more Grant than Cooper — a man who would weather admirably, for decades to come.

There is indeed a time to come and a time to go, but Burke's time to go came way too soon.

Carrying the melancholy air of the exile, he would return to New York now and then, telling stories in his flourishing brogue about his finicky Irish manservant, the quaint horse shows, the mists and the damps of his ancestral home.

"Are you a gentleman farmer?" asked a lady who was enthralled because Burke could talk about art as well as sports.

"Well, I'm a gentleman," Burke said with the deprecatory laugh that always leavened his dashing image.

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The Russians Are Coming — Up to Bat

By Charles Mitchell

United Press International

MOSCOW — The Reds are in training, but these ballplayers are hardly from Cincinnati. The Soviet Union has entered a baseball team to compete in the 1990 Goodwill Games in Seattle, the competition that debuted last summer in Moscow.

The Soviet Union's adoption of the U.S. pastime is no joke, according to Yuri Potnov, head of the games department of the Soviet State Sports Committee.

Potnov, a pleasant, clear-eyed bureaucrat who bears a close resemblance to Robert Redford in "The Natural," cites performance in other sports imported from the West as what can happen when the Soviet sports apparatus takes a game seriously.

"One day we envision playing the United States team like we do in ice hockey and basketball," Potnov said, with a ring of commitment. "Yes, there will be a real World Series one day."

Potnov said the introduction of baseball as a trial sport at the 1984 Los Angeles Olympics and at the 1992 Seoul Games convinced Soviet leaders that the time had come to include it as an official Soviet sport. "Baseball was introduced into the Olympic program and it will be a part of the Goodwill Games in 1990. These are the two main reasons we got involved now," said Potnov.

Baseball has its own budget within the Soviet sports structure, although Potnov said he cannot disclose the amount of money to be invested in the program. Cities including Moscow, Leningrad and Kiev will have teams in a national league this year.

The Comrades of Summer are starting literally from scratch — work brigades are building fields nationwide — and virtually all Soviet knowledge of the sport has been called

from video tapes and U.S. books on baseball.

Translators are working on a Russian version of the rulebook and other instructional booklets. Basic rules are to be published in such mass-circulation sports magazines as *Sportivnye Igrы* (Team Sports) and *Fizkultura i Sport* (Physical Culture and Sport).

Potnov said baseball has a certain broad appeal, although its unofficial debut in Moscow last October drew less than 200 fans, most of whom left after a few innings in bewilderment. "I've never seen anything like it before," said one spectator, "and I can't understand a thing."

But Potnov believes that attitude runs contrary to the essence of the game. "From one point of view, its simplicity for spectators is appealing. Every spectator in his heart watches a game and participates, and thinks he can do it better himself," Potnov said.

With the move toward more openness, debate and criticism in Soviet society, players may even be permitted to argue with the umpires.

Equipment remains a serious problem, but Cuba — a country overseen by a former pitcher named Castro — has agreed to help (a deal for the manufacture of gloves and bats under license in the Soviet Union is expected to be signed later this year).

A squad at the Lenin Komsomol auto factory near Moscow has been using ice hockey gloves to practice indoors until they receive a shipment of gloves. Catchers wear goalie masks and hockey chest protectors. Lathe operators have donated their time to manufacture bats.

On-field instruction has come from ball-playing Cuban and Nicaraguan students at Moscow's Patrice Lumumba Friendship University. The Comrades of Summer are starting literally from scratch — work brigades are building fields nationwide — and virtually all Soviet knowledge of the sport has been called

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Soviets vs. NHL All-Stars: The Best Against the Best

Compiled by Our Staff From Despatches

QUEBEC CITY — Before the cheerful backdrop of the brightly colored lights and ice sculptures of a wintertime ritual, a National Hockey League all-star team and the national team of the Soviet Union approached the business of a two-game series that will revise the sport's balance of power.

The Rendez-Vous '87 series, a mid-season replacement for the NHL all-star Game and an addition to the Quebec Winter Carnival, has added emotional heat at a time of the hockey season normally reserved for rest.

"When it's the best against the best, it really doesn't matter," said Alan Eggleston, executive director of the NHL Players' Association, of the games scheduled for Wednesday and Friday nights. "I'd rather play and lose or tie than not play at all."

But Eggleston's public attitude conflicts with that of a passionate nation that was stunned by the events of 1972, a September of tension that ended with a Canadian victory in Moscow only after Paul Henderson's goal with 34 seconds to play in the eighth and final game.

"It's a big thing for people," said Edmonton's Grant Fuhr, the probable starting goalie, who expected to sense a playoff atmosphere in the cold of winter.

"My whole life has been aimed at being involved in things like this," said Edmonton center Mark Messier. "You're thinking we have to beat these guys if we're going to say we're the best in the world. It'll always be the same when we meet the Russians. Always."

"This is different from an all-star game," said the Oilers' Wayne Gretzky. "We have

to concentrate on hockey and we have only one idea — to win."

The NHL lost to the Soviets, two games to one, in the 1979 Challenge Cup. That was the last meeting of this kind, although NHL players routinely face the Soviets in the Canada Cup and world championships.

The cultures are meeting in two games under NHL rules that include a five-min-

ute in 10 recent games, summed up what he's seen. "They have great skills," Patrick said. "There is no weakness."

Seven years ago this month, Patrick helped oversee the U.S. team that upset the Russians at the Lake Placid Olympics on the way to a gold medal. He said that despite changes in personnel, the precise, patterned Soviet style has remained intact.

America. Valery Kamensky, a center, will play for the third line. Goalie Yevgeny Beloboevkin, coached by Vladislav Tretiak, the legendary goalie, had a goals-against average of 1.57 in the seven games of the 1986 world championship.

Fair expected to be helped by the fact that his team's style, from the patterns he's seen in practice, is not dissimilar to that of the Soviet Union. "Our team works with the same idea," Fair said. "They're just not as adept at it."

The suggestion that the Soviet team has mastered a style better than a recent Stanley Cup champion shows the difference in attitude from 1972, when Canadian fans were led to believe that the opposition was far inferior.

This year, the NHL team was forced to work against too little time and too many injuries. Mike Bossy of the New York Islanders, Paul Coffey of Edmonton and Mark Howe of Philadelphia will not play. Tomas Sandstrom, the Ranger wing, was not expected to play in the opener because of a rib injury.

On Tuesday, again, the Soviet players appeared somber as they went about their work; that much has not changed at all. Perhaps, it was suggested to Bourque, they just wear their game faces a little sooner than North Americans.

"It's like they've always got them on," Bourque said. "You look at those guys and they look so serious all the time. Maybe we don't know how they feel. We don't speak the language. We don't know that much about them. Maybe they are relaxed inside." Fifteen years, and they're still learning about one another. (NYT, WP)

At the Colisee, as the all-stars skated Tuesday afternoon,

Craig Patrick, the deposed general manager of the New York Rangers who scouted the Soviet team in 10 recent games, summed up what he'd seen. "They have great skills," he said. "There's no weakness. . . . They're a little more physical than they were," he said. "I think they go to the net more than they used to. They've admitted they've taken things from our hockey. They realized they have to be tougher."

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The Soviets aggressiveness can be found in the play of Mikhail Tatarinov, a 20-year-old defenseman who is the youngest player in the series and one of five Soviet players here who have been drafted by NHL teams.

Two other 20-year-olds, both from the Central Red Army club that forms the core of the visiting squad, will appear against an NHL team for the first time in North

America. Valery Kamensky, a center, will play for the third line. Goalie Yevgeny Beloboevkin, coached by Vladislav Tretiak, the legendary goalie, had a goals-against average of 1.57 in the seven games of the 1986 world championship.

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SCOREBOARD**Basketball****NBA Standings****EASTERN CONFERENCE****Atlantic Division****W L Pct. GB****Perfected****Rebounds****Assists****Blocks****Steals****Turnovers****Points****Scoring****Rebounds****Assists**

ART BUCHWALD

Buttering Up Lobbyists

WASHINGTON — "When I make a mistake, I make it a doozy." Thus spoke Senator Lloyd Bentsen last week. The mistake the Texas senator was talking about was inviting lobbyists to have breakfast with him once a month for \$10,000 — toast and marmalade included.

The donor would not only get to eat with the senator, but he would be asked advice on trade, taxation and anything else the lobbyist wished to bring up. It sounded like one whale of a deal. But when it leaked out what Bentsen was charging for breakfast, the senator was forced to close down his diner.

I don't want BUCHWALD anyone to get the impression that Bentsen is the only one selling access to the power brokers who prowl Capitol Hill. The opportunity of getting close to your senator for a price has become Washington's biggest business.

I was having breakfast with Senator Pogie at the Madison Hotel the other morning. Since Pogie is a junior senator, it only cost me \$6.00.

The senator was a gracious host. "Do you want some more corned beef hash?" he asked.

"No, this is fine," I assured him.

Peter Hall Will Set Up His Own Stage Company

The Associated Press

LONDON Sir Peter Hall announced Wednesday that he will launch his own production company when his contract as artistic director of the National Theatre expires in September 1988. He succeeded Laurence Olivier at the National in 1973.

He told a news conference that the Peter Hall Production Company, a commercial enterprise backed by producers Duncan Welton and Jerome Minoff, would mount four plays a year for an initial period of three years, starting in 1988-89. Hall, 56, will direct three of the plays himself and call on someone else to direct the fourth.

"You can have all the gris you want," he told me. "Say what they will, Pogie never sits on his Meals for Wheels Program. Would you like to know how I'll vote on the pork barrel bill?"

"Am I permitted?"

"Your breakfast entitles you to three questions or three English muffins, whichever comes first."

"Can I ask what you intend to do with all the money you're raising from lobbyists?"

"Lobbyists need love, too. But just because I listen to their stories doesn't mean I'm obligated to vote in their favor, though I must say, most of them make excellent arguments for their side. Have a waffle."

"I'm stuffed."

"Do columnists have any legislative problems I can help with?"

"I can't speak for George Will, but I don't have any. There is talk of the Japanese and South Koreans are thinking of dumping a lot of cheap foreign columns on the United States. But I'm not worried. When it comes to cheap columns we American columnists can hold our own."

Two men passed by the table and one said, "Hello, Senator. How goes it?"

Pogie went red and mumbled, "I don't believe it. Liverheads refused to give to my political action committee and he now has the nerve to walk by and say hello to me."

"If he doesn't contribute he knows you."

"Of course, he doesn't. If he can say hello to me for free, why should other lobbyists pay for the privilege?"

This is what I think. The guy with him is a client, and Liverheads is trying to impress him by saying "Hi." It makes me mad when he gets a free ride."

Pogie said, "Don't worry about it. Just because some sons hello to me doesn't mean I owe us. Here, put this maple syrup on your French toast and you'll know why I run the best political breakfast club in town."

"You really care about your constituents' appetites, don't you?"

Pogie said, "I see it as I see it. But if you say I'm wrong and you want to add a few bucks to my election kitty, I'll be glad to look at it again on instant replay."

The title Hughes selected is de-

veloped a kind of national crush on the place, with its deceptively similar frontier image. In the likes of Mel Gibson, Paul Hogan, Men at Work, Colleen McCullough and even Rupert Murdoch, they see brash and bright young coons.

But Robert Hughes, a lapsed Australian, thinks all this is rubbish.

"This Crocodile Dundee notion of Australians being a bunch of 6-foot-4-inch guys with corks on their hats staring at the mighty horizon and cutting cane with one hand and strangling large reptiles with the other is — holom," said Hughes, 48, as he talked about "The Fatal Shore," his book on Australia's convict past.

"It's a caricature that the Americans love, and it's a caricature that the Australians love, and they both love it for the same reason. It has about as much relation to the realities of Australian life as — I don't want to invoke a comparison of quality between the two — as 'Aida' does to the realities of Egyptian dynastic politics. Possibly something less. It's macho *commedia dell'arte*."

The brash and crudition of his language inhabit every page of "The Fatal Shore," with its swaggering prose and pungent detail about his country's penitentiary origins. His book, however, has more than accurate history as its objective. Hughes means to restore a semblance of reality to Australia's self-regard — and not incidentally, to puncture the vanity of "America wanting to re-patinate its own lost sense of the frontier by precariously projecting it on another place."

He radiates vigorous authority, a tone he's perfect for 17 years as the art critic of Time magazine. He cut a no less commanding figure on television st-

years ago on the public television series "The Shock of the New."

But for 11 years, when he could carry out the time, Hughes has been burrowing through Australian penal records and convict doggerel on research trips that have taken him repeatedly to the country he left in 1963.

His fellow Australians, he said, "used to view me with suspicion as a callow little sinner — because I was a callow little sinner." After writing "not very good history of Australian art, a truly juvenile piece of work," he said he "felt like a little goat that ate its patch dry." So he headed to Paris — "to smoke Gauloises and study art" — and never returned. "If anybody had told me at the time that I was getting on the plane that I'd be spending 11 years of my life on a book about Australia, I would have told them they were absolutely stark raving mad."

Hughes began to explain why he did with a caustic observation about his fellow Australians: "We're famous amnesiacs. We're really good at it." In particular, the celebration of Australia's centenary in 1938 was notable, he wrote in the closing pages of "The Fatal Shore," for the skittish handling of the so-called "Convict State" on Australia's past. "One dipped one's brush in the Stain, to put in a little darkness behind the radiant bouquet of wheat, wheat, Union Jacks and Golden Fleeces. One hinted, in the text of commemorative albums that bore caricatures of kookaburras and paddle steamers stamped in gold leaf on their covers, that dreadful things had been done in the remote colonial days of Australia, but — it was time to draw the curtain at last on so much indignity and suffering and to contemplate the Dawn."

During the gestation of "The Fatal Shore," Hughes mischievously referred to it as "Kangaroos," and his more serious working title was "Chains." He abandoned that title, he said, precisely because "it sounded too much like 'Roots,' and I didn't want to sound like 'Roots.' In other words, it's not a work of fiction. And it's well written — the other difference."

The title Hughes selected is de-

rived from a convict ballad of the late 1820s. "Not fatal in the sense of lethal," Hughes explained, "but rather the place where your fate was to be enacted."

Poring over the records of penal administration, convict suffering and colonial settlement stored in Sydney and London, and then composing the narrative in the "little shack on Shelter Island" where he and his second wife, Victoria, spend five months a year, Hughes was determined to expunge the "durable fancies" that clutter the ordinary Australian conception of his convict antecedents.

"One is the idea that they were all innocent. Another is that, even if they weren't innocent, that all they did was steal bits of bread to feed their starving children, or they poached a pheasant. The third one, which the Irish and therefore the Australian left used to be very fond of, was that they

were all political revolutionaries. None of this is true."

Actually, all of this is true, but only in part. "The Fatal Shore" documents the triviality of certain crimes that earned their perpetrators one-way passage to the amphitheater, but also insists that many of Australia's founders were the most hardened criminals. Only a few were "transported" (the contemporary term for banishment) for what might be called political misdeeds.

Two great waves of free immigration — in the 1850s for gold, and in the 1940s and '50s, for postwar opportunity — stocked Australia with people who were not convicts. Fewer than a fifth of all Australians today, Hughes said, are descended from convicts.

He seems chagrined to confess his own nonconvict lineage. "The proudest Hughes I left used to be very fond of, was that they

were of Ireland in 1839," he declared, lapsing into a faint brogue. "His name was John Hughes. He was a cop. He went to Australia. He bought some land, and then he bought some more land. And unfortunately his descendants gave it away to the Catholic church. A great pity."

After leaving Australia, Hughes led a migratory and Bohemian life in the art capitals of Europe, landing eventually in London, where his second book, "Heaven and Hell in Western Art," was published in 1969. "It sank without a trace, but, thank God, totally transformed my life," because it eventually brought him to the attention of Time magazine.

If "The Fatal Shore" is an exercise in national genealogy, it doubles as cultural psychotherapy. Australians, Hughes said, have long suffered from "the cultural cringe." He explained the term, borrowed from the study of colonial history, as "the expression of a sense of provincialism vis-a-vis the dominating modes of the paternal culture."

In recent years, Hughes went on, a countervailing phenomenon has come to the fore: the relish of contempt for the mother country as it slips into decline, the sense that the British "couldn't organize a rattle at a village fair," the "tremendous pent-up Schadenfreude" against Thatcher's England.

This, he said, is known as "the cultural strut." And he understands what it is really about: "It isn't a solution to the cultural cringe; it's a symptom of the cultural cringe."

And has the cringe shifted?

Toward America. Yes. You

England as a presence in the Australian imagination has been largely supplanted by America. I think one of the main reasons why America likes us so much is that they like them so much. . . . We have the same sort of nostalgia for our historically vanished frontier as you do for yours."

But the mutual admiration has bred mighty illusions. "Americans keep saying that Australia reminds them of America," he said. "Why is it then that America doesn't remind me of Australia?"

PEOPLE**Platoon, Ivory's Room Top Oscar Nominations**

The Vietnam saga, "Platoon," and the comedy, "A Room With a View," took top honors with eight nominations apiece Wednesday in the 59th Academy Awards race. Both were nominated for best picture along with "Children of a Lesser God," "Hannah and Her Sisters" and "The Mission."

Named for best actor were Peter Finch, in "The Color of Money," the jazzman Dexter Gordon in "Round Midnight"; Bob Hoskins in "Monsieur"; William Hurt in "Children of a Lesser God," James Woods in "Salvador." Nominated for best actress were the two-time winner Jane Fonda for "The Morning After"; and Oscar winner Sissy Spacek, "Crimes of the Heart," and film nominees Marlee Matlin, "Children of a Lesser God"; Kathleen Turner in "Peggy Sue Got Married"; and Sigourney Weaver in "Aliens." "Blue Velvet," the filled story of small-town America which won many critics' prizes, was given only one nomination: best direction, by David Lynch. Other director nominees were Woody Allen ("Hannah and Her Sisters"); Roland Joffe ("The Mission"); Oliver Stone ("Platoon") and James Ivory ("A Room With a View").

Nominees for best foreign-language film were "The Assault," "Betty Blue," "The Decline of the American Empire," "My Sweet Village" and "36." The winner will be announced March 30.

The Earl of Snowden, the ex-husband of Princess Margaret, resigned Tuesday from his honorary post as adviser to the British Design Council. Snowden quoted the council's new chairman, Simon Hornby, in *Vogue* magazine as denouncing the council's showroom in London's Haymarket as a "second-rate souvenir shop" and its magazine *Design* as unreadable. Hornby denounced the article as a travesty of what he had told Snowden.

The Daily Mirror of London, which paid £35,000 in libel damages and costs to Liberace 20 years ago after suggesting he was a homosexual, said it wants its money back. The entertainer, who died of AIDS on Feb. 4, was awarded the money over a 1956 column by the columnist Cassandra.

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